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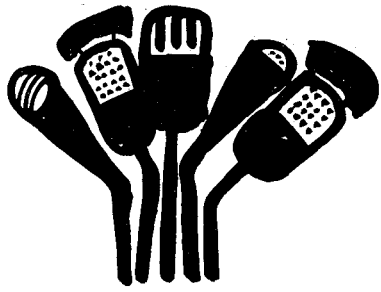

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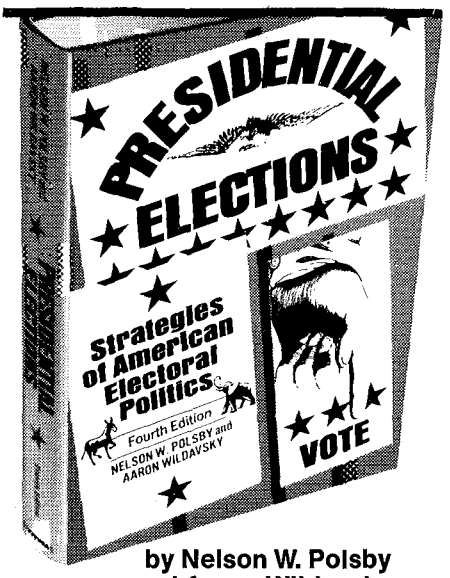

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VOLUME EIGHT NUMBER THREE
MAY 1976

SLIMMING BIG GOVERNMENT

The Gravy Train
by Tom Bethell
How a railroad almost stopped running because the unions wanted a free ride. 6

The Intractables
by Walter Shapiro
A massive resistance movement awaits those who would reduce the great bureaucracies. 12

The Burglar's Bill
by Kenneth Dalecki
How a liberal reporter turned conservatives against a conservative crime bill. 19

Calling in the Big Bills
by James Henry
A monetary detective finds a painless way to catch the tax-evaders and cripple organized crime. 26

THE CULTURE OF BUREAUCRACY

Battle of the Barons
by John J. Fialka
Why the Social Security computer sent out over $500 million in excess welfare payments. 34

TIDBITS AND OUTRAGES 42

The Bureaucrat's Country Club
by Jay Gourley
Life at the Federal Executive Institute. 45

The Robot Air Force
by Paul Dickson
Who said the generals are always preparing for the last war? 48

AVOIDING THE ISSUES

The Ignorant Press
by Charles Peters
Political reporters know about politics, but they don't know about government. 55

The Winning Candidate
by John E. Bremner
Not campaigning on the issues, particularly the traditional Democratic ones, as a key to success. 58

POLITICAL BOOKNOTES 62

LETTERS 4 **MEMO OF THE MONTH** 23 **POLITICAL PUZZLE** 65

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Letters

Reporters and Their Status Taboo

For some time I have read *The Washington Monthly* with interest and profit. This was true of Tom Bethell's piece ["Reporters and their Status Taboo"] in your February issue.

But I must protest against his including Lord Macaulay among those who take revenge upon violators of a "status taboo" by attacking them personally.

Macaulay did not disparage Boswell's character because Boswell had painted Johnson "warts and all."

In the paragraph in Macaulay's essay on Johnson before that from which Bethell quotes, Macaulay has this to say about Boswell as a biographer and about his *Life of Johnson* in particular:

"The *Life of Johnson* is assuredly a great, a very great work. Homer is not more decidedly the first of dramatists, Demosthenes is not more decidedly the first of orators, than Boswell is the first of biographers. He has no second. He has distanced all his competitors so decidedly that it is not worthwhile to place them. Eclipse is first, and the rest nowhere."

If Macaulay dwelt at tedious length on Boswell's idiosyncrasies and character weaknesses, it was only because of his effort to demonstrate that only such a person could have written such a great book.

CLIFFORD P. CASE
Washington, D. C.

Clifford Case is a U. S. Senator from New Jersey.

Earl Warren: On the Mob's Payroll?

It was a pleasure to read your excellent article on the endless dubious, spurious, opportunistic Kennedy assassination literature ["Earl Warren: On the Mob's Payroll?" by Tom Bethell, March 1976]. Having followed this issue from the beginning, I'm continually struck by the pervasiveness of the conspiracy theories. I suspect that even if the Commission had attended to the issues and procedures on which they could be faulted—those Edward Jay Epstein discusses—we would have similarly overwhelming proportions of every Gallup Poll sample queried saying there had been a conspiracy. Even my better informed graduate students are impressed with the Mark Lanes. All this suggests that the psychologists who at the time of the assassination noted that conspiracy theories are paradoxically reassuring to people have a point: namely, if there *is* a conspiracy the event is *explicable*. Nothing is more unnerving than dangers due to mere chance.

FRED I. GREENSTEIN
Princeton, New Jersey

Fred Greenstein is a professor of politics at Princeton University.

I would simply like to point out what I consider to be an unconscionable omission on Tom Bethell's part which may raise questions about his motives in writing "Earl Warren: On the Mob's Payroll?"

The article in question is, to a large

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extent, a review of a new book by Robert Sam Anson called "They've Killed the President." In the book, Anson makes a very serious charge against Bethell; namely, that Bethell, while serving as "custodian of the files" for New Orleans District Attorney Jim Garrison, turned over to Clay Shaw and his attorneys copies of Garrison's case against Shaw before the Shaw trial had started. Bethell mentions in his article that he was indeed Garrison's "archivist," but nowhere does he say a word about the perfidious act which which he is charged by the author of the book he is reviewing.

I have no way of knowing about the accuracy of Anson's charge. If it were untrue, however, I would assume that Bethell would have used it as an example to prove his thesis that Anson is not to be believed. In any case, for Bethell to ignore the charge completely is an act of intellectual dishonesty.

JOHN MARKS
Washington, D. C.

John Marks is co-author of The CIA and the Cult of Intelligence.

The author replies:

I discussed the "charge" in an earlier *Washington Monthly* article, "Was Sirhan Sirhan on the Grassy Knoll?" (March 1975). To have done so again would have been repetitious, I believe. Here's how I described the event:

"After a while it became clearer and clearer that [Garrison] had no case at all against Clay Shaw, the man he had charged with conspiracy to assassinate the President (Shaw, incidentally, died of cancer in New Orleans last year); and I ended up betraying Garrison to Shaw's attorney.

"There is no 'discovery law' in Louisiana, which means that the prosecution (us) can introduce surprise witnesses into the trial without forewarning. In this instance Garrison was preparing to put on the stand a witness who, apart from testifying that he had heard Shaw discussing assassinating Kennedy, was under the impression that the government stole into his house from time to time and substituted 'dead ringers' for his children, who then spied on him. (To foil the government, he periodically fingerprinted his children.) Needless to say, Garrison's people were not anxious for the man's eccentricity to emerge in testimony, and thus wanted the defense to have as little time as possible to uncover it. When I discovered that Garrison was indeed planning to put this man on the witness stand (as he in fact did, indicating better than anything else the shortcomings of his case), I decided that the time had come to turn the necessary information over to Shaw. For my perfidy I was charged by Garrison with 'unauthorized use of movable goods,' a charge that was never brought to trial and has since been dropped."

Beyond that, I am rather surprised to note that John Marks, co-author with Victor Marchetti of *The CIA and the Cult of Intelligence*, seems to regard the disclosure of government information by one privy to it as necessarily being a "perfidious act."

Waco, Wilt, and the AMA

It is not a matter of great import, but I can't help pointing out that your extraordinarily sensible article in the current issue ["Waco, Wilt, and the AMA" by James Fallows] repeats a calumny about Robert MacNamara that ought to be laid to rest: He was never a proponent of the Edsel; in fact he opposed it within the company. I think the story was started by Barry Goldwater.

ADAM YARMOLINSKY
Boston, Mass.

Adam Yarmolinsky is a Ralph Waldo Emerson Professor at the University of Massachusetts.

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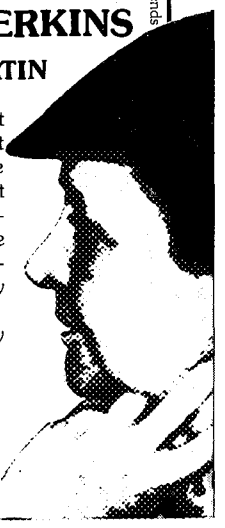

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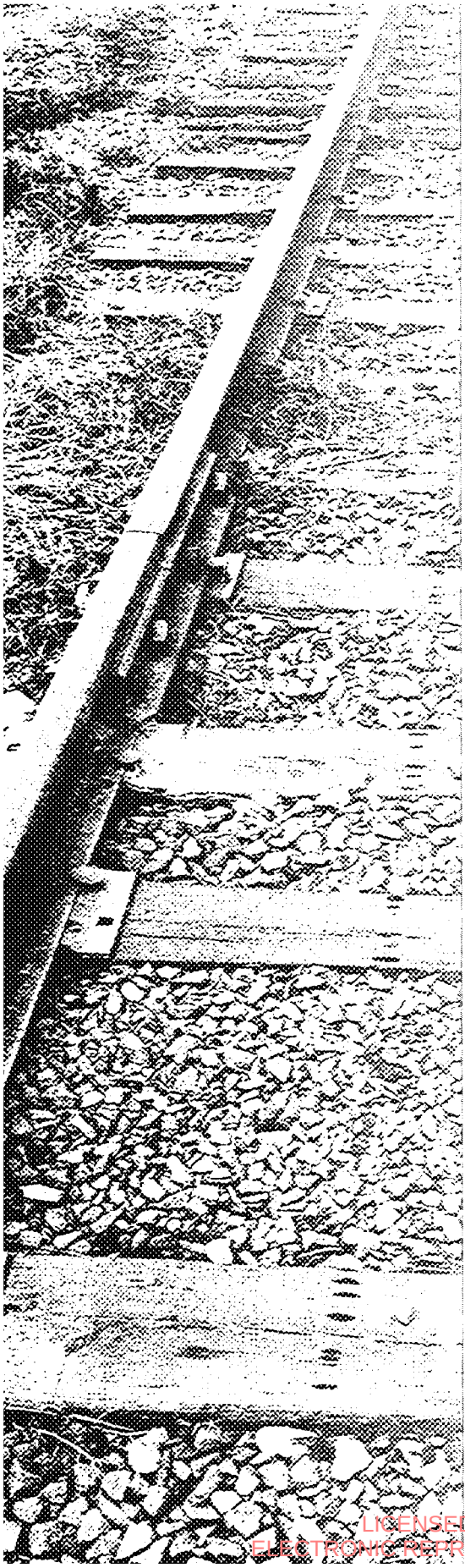

The Gra

by Tom Bethell

Even the most cursory inquiry into trade unions reveals the contemporary debasement of the notion of work. That work itself should contain redeeming features is not something likely to be brought up for discussion these days in our union local halls. It is hardly on George Meany's agenda. In medieval times guilds were formed to maintain standards of craftsmanship; today unions are formed to maintain paychecks. Some of the old language survives in today's unions—brotherhood, clerk, master, guild—but very little of the old attitudes. There can be no pretense that pride is involved when dockworkers unpack and repack containerized freight; when printers reset in identical type what has already been set in type; when painters refuse to paint with brushes more than four inches wide; when firemen travel on locomotives which do not have fires; or when railroad employees, insisting still on the "100-mile day" inaugurated with 19th century locomotives, receive five days' pay for sitting in diesels which speed 500 miles across the continent in a matter of hours.

Thoughts such as these inevitably come to mind when one reads about the Delmarva Peninsula controversy,

Tom Bethell is an editor of The Washington Monthly.

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vy Train

which has been in the news lately. It is a three-sided story, involving railroads, labor unions and government, and as with so much else that one reads about in newspapers, it does little to encourage the notion that we live in the best of all possible worlds. And that is especially true where the trade unions are concerned. Government doesn't come out of it too well, either.

The Delmarva Peninsula stretches down 200 miles south of Wilmington, Delaware, with the Atlantic on one side of the peninsula and the Chesapeake Bay on the other, and it contains within it parts of three states—Delaware, Maryland and Virginia. Its 6,000 square miles are not heavily populated or much industrialized; it is well known only for its large chicken farms. Its railroads, along with so many other railroads in this part of the world, were money-losers, with more and more of the track becoming dilapidated and abandoned; where they operated at all, they were run by the Penn Central Railroad.

After Penn Central went bankrupt, the U. S. Railway Association was created to study the causes of the bankruptcy, and to come up with a government assistance plan to streamline the railroads of the northeast U.S. The association duly recommended

Diana H. Walker

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that about 6,000 miles of track formerly operated by Penn Central (and six other smaller bankrupt lines) should be abandoned, that certain other lines should be subsidized by the states, and that the remaining track should be operated by a government corporation called Consolidated Rail Corporation, or Conrail for short.

Conrail went into effect on April 1 of this year, with over $2 billion of federal money at its disposal. The plan is for Conrail to be operating at a profit by 1979. This is thought to be unlikely, although some of the worst features that had led to the Penn Central bankruptcy (for example, the union refusal to eliminate jobs when the Pennsylvania Railroad and New York Central were merged, resulting in two men standing on duty where one had stood before) have been at least partially circumvented.

To encourage competition with Conrail, and to help minimize the government investment, there was also a plan for two of the nation's rare profitable railroads, the Chessie System and the Southern Railway, to buy about 3,000 miles of the former Penn Central System. The Chessie purchase was to be in New York and Pennsylvania, the Southern in the Delmarva Peninsula.

In the delicate contractual negotiations at this stage, however, the government made a serious tactical mistake—an error which did not become apparent until recently. The error was to concede that if these two private railroads did not acquire the track, Conrail would continue to operate some of it anyway. Government would act as backstop, in other words.

Good News

For the people on the Delmarva Peninsula, the news that the Southern Railway was coming their way was good news. Southern was known as an efficient, well-managed railroad, which, partially through the good fortune of its geographical location, had managed to avoid becoming ensnared and tangled and knotted and ultimately throttled by organized labor, as had happened with the Pennsylvania and other railroads. Southern, which had shown a net profit of $88 million in 1974, was going to buy the full 485 miles of track on the Delmarva Peninsula for $6 million, and had promised to spend an additional $30 million in repairing the track. On the other hand, if the government-backed Conrail acquired the track, it would operate only 185 miles of it, as far south as Salisbury, Maryland. For Conrail, the track it acquired would be an unimportant feeder line; for Southern, using the rail-car float across Chesapeake Bay from Cape Charles, Virginia, to Norfolk, the Delmarva acquisition would constitute the final link in a chain that would then reach up to Wilmington, Delaware, and hence the industrial northeast.

Southern Railway, therefore, had a vested interest in acquiring the lines, and so did thousands of residents of the Delmarva Peninsula, whose economic well-being was threatened if much of the rail freight service was withdrawn. But the 22 unions representing the 500 railroad workers on the peninsula had very little at stake, as soon became apparent when the labor negotiations dealing with the Southern purchase began.

The Veto Principle

The fact that so many unions were involved—22 unions for only 500 workers—in itself illuminates one of the major problems encountered by railroads in their labor negotiations. What formerly had been a *craft* was to become, in contemporary trade unionism, a sharply delineated *jurisdiction*, within which a dues-paying membership could be accumulated. Precise job descriptions defined the jurisdiction and so prevented the encroachment of other hungry union empire-builders. Equally important, this rigid subdivision of work had the effect of giving that union a *veto* over the end pro-

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duct or service.

The veto principle soon became incorporated into the Delmarva negotiations, too. Under the terms laid down by the U.S. Railway Association, any one union out of the 22, by not signing the agreement, could prevent the purchase from taking place. Right off, therefore, the Southern Railway made the negotiating concessions that they knew they would have to make, because they have become so routine a part of labor-management "bargaining" these days. They agreed to keep on all the workers already working for Penn Central, for life, and they agreed to pay them Penn Central wages—which are on average about a dollar a day higher than Southern wages.

Bad News

For those already with jobs on the peninsula, therefore, this was good news; their jobs and wages were guaranteed, and they would be working for a financially sound company in no danger of bankruptcy—which, of course, always results in uncertainty, because after a bankruptcy contracts are renegotiated. Twelve of the unions involved soon signed the agreement—among them the Brotherhood of Locomotive Engineers, the Railroad Yardmasters of America, the Brotherhood of Railroad Signalmen, the American Train Dispatchers Association, the American Railway Supervisors Association, the Seaman's International Union, and the International Brotherhood of Teamsters. More to the point, one might think, nearly all of the actual employees working on the peninsula were informally reported to be willing to agree to Southern's terms. As for the non-railroad residents of the Delmarva Peninsula, they were extremely anxious that the purchase be allowed to go through. At Salisbury, Maryland, they had even planned a welcoming ceremony for the first Southern train, complete with high-school band and speeches by civic dignitaries.

But one brotherhood would not sign the agreement—the Brotherhood of Railway and Airline Clerks, a 300,000-strong union of clerical workers who do a great deal of railroad paperwork. A number of other unions refused to sign, too, although it is the opinion of Secretary of Transporation William T. Coleman, Jr. that these other unions would have gone along if the clerks' union had signed.

It emerged in the course of negotiations that the clerks union—who represented only 55 workers on the Delmarva Peninsula—wanted two further concessions from Southern Railway. Management would have to agree to sustain these 55 jobs in perpetuity, even if the jobs were not needed after the present job-holders died, with the replacement workers also being hired under Penn Central rather than Southern terms. And secondly, Southern must agree not to transfer these workers to other parts of the Southern Railway system, such as Tennessee or Georgia, where there might in future years be a greater need for railroad workers.

With great reluctance, Southern agreed to the second demand, and a part of the first. The featherbedding provision (hiring unnecessary workers in perpetuity) was, of course, distasteful to Southern, but they agreed to it when they were reassured that the federal government would pick up the additional cost. But there was one clause Southern would not agree to, and that was the requirement that the *future* employees be hired on Penn Central rather than Southern's terms. As Southern's management very well knew, this provision could lead, in a very short time, to the Southern Railway meeting the same fate as Penn Central: bankruptcy.

The almost inevitable tendency, given the well-established direction of labor-management negotiations these days, would be for this Penn Central contract, applying at first to only 55 workers, to "slop over" into the rest of Southern's 17,000 union employees. Southern's management surmised

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that it would only be a year or so before union negotiators began arguing that it was intolerable for Southern Railway to have two categories of employees, one on a regular labor contract, the remainder "under-privileged." If this did indeed happen, it could ultimately prove disastrous for Southern. Penn Central's operation was such that an average of 51 cents out of each dollar of revenue was accounted for by wages; for Southern, however, it is only 33 cents. (The average Southern Railway employee's pay was $14,500 in 1975.) According to one management estimate, if this 33-percent figure were increased to Penn Central's average, Southern's $88 million profit would be converted to an $80-million loss.

So Southern would make no concession on this point; they would prefer not to acquire the Delmarva railroads under labor terms which could ultimately bankrupt them.

The Public Be Damned

Meanwhile, the threatened closure of two thirds of Delmarva's lines placed several thousand jobs there in jeopardy, and the Delmarva Labor Council, representing organized labor generally, was begging the Brotherhood of Clerks to be a little more brotherly and accept the contract. But they would not. The union president, C.L. Dennis, said that his union "would be the laughing stock of the whole railroad industry" if it were to accept the wage proposals—a comment which itself speaks eloquently of the great degradation of organized labor. The contract in question, of course, guaranteed all those currently employed life-time jobs, at the same wage rates, and guaranteed not to relocate anyone.

In response, Secretary Coleman said that "this exercise in unreasonableness and irresponsibility will leave a lasting imprint on the economy of the Eastern Shore, and ought not be forgotten by the American people."

The *Washington Star* remarked that "the seven obdurate labor unions that are obstructing the survival of the Delmarva Peninsula's essential rail network deserve to be castigated by Transportation Secretary William Coleman." In a news analysis, *Washington Post* reporter William H. Jones noted that William Vanderbilt's famous remark made in 1882—"the public be damned"—now appeared to characterize organized labor. But *The Washington Post* editorial summary put it best:

"The argument has nothing to do with the wages the current holders of these jobs would get; federal law guarantees that their wages would not be cut. Instead, it involves the wages that will be paid to those who replace them after they die or retire. In other words, railroad service on 192 miles of track in Delmarva is about to end because of a dispute over how much future workers (who may not even be born yet) will be paid. The ultimate irony is that so marginal an issue could destroy a rescue operation on this 192 miles of track—a rescue operation which a solvent railroad is willing to undertake and which a government-funded corporation has rejected as too expensive to undertake."

Internal Politics?

How could this happen? Secretary Coleman intimated at one point that the answers could be found within the internal politics of the clerks' union. A little bit of investigative reporting was needed, he suggested. In fact, however, inquiry suggests that while internal union politics may have been part of the problem, there was all along a much more serious impediment to successful labor-management negotiations: namely, the promise of ultimate government rescue.

As far as the Brotherhood of Railway and Airline Clerks were concerned, it was true that Fred Kroll, a vice president from the Philadelphia local, had recently defeated the union president's son in an election for vice president; and it was felt that Kroll

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was now set on challenging C. L. Dennis for the presidency, and was threatening to use the negotiations with Southern Railway as an "issue" on which to challenge Dennis. Rather than run the risk of being accused of having "given in" to management, therefore, Dennis would stand pat on his logically untenable position. It did not matter to him what the working men in the Delmarva Peninsula thought—those that were not in his union—because they, after all, were not contributing dues, nor did they threaten his hegemony within the union. As for those railroad workers who *were* in the union, he did not have to worry about them either, if the Southern deal fell through, because under the terms of the acquisition by Conrail, *they were guaranteed lifetime jobs anyway*. And that was the real problem.

Under the law that had established Conrail, those former Penn Central employees who had been on the job for five years or more would go on being paid for life even if there was no work for them. The great problem was, then, that the government, with its easy susceptibility to lobbying influence, was inclined to take a far weaker stance in labor negotiations than management would. And so, if every time a railroad goes bankrupt, the government takes it over, there is no incentive for labor to make the slightest compromise in its position. In fact, a cynic could argue that there is even some incentive for unions to encourage the bankruptcy of railroads, if the government, as a result, promptly takes steps to guarantee everybody's job for life. This attitude had seemed implicit in 1973, in the wake of the Penn Central bankruptcy. At that time, the Brotherhood of Clerks submitted a bill to the House Commerce Committee calling for the prompt creation of a federal railroad transportation authority to take over Penn Central, using the argument that "nationalization" of lines was far better than "disintegration."

Political Reality

It might be argued that in the Delmarva Peninsula case, Conrail was going to take over only some of the lines, while the remainder would be closed, which presumably would mean the loss of some jobs. But this would be politically naive. As might have been predicted, what happened at the eleventh hour was that the publicity given to the case—which in part seemed to have been generated by the Secretary of Transportation's office in an attempt to embarrass the unions into going along with the agreement—succeeded only in putting pressure on politicians to take further steps towards nationalization.

Only three days before the limited Conrail operation was due to go into effect, Stephen Aug wrote in the *Washington Star*: "The state of Virginia and the Consolidated Rail Corporation have agreed to a plan under which the endangered Delmarva line of the bankrupt Penn Central Transportation Co. will continue in operation indefinitely....The agreement, under which the federal government would pay $1.5 million to subsidize operation of the money-losing line for one year, appears to represent a last-minute reprieve for the line." In other words, the full 485-mile system probably will end up being saved, and run at a loss by the government.

So, in the end, the unions won. And when government is prepared to step in to protect the pay scale of those who are not yet even born, as it essentially did here (although perhaps unwittingly), we are plainly faced with the prospect of an ever-increasing antagonism between labor and management; and when politicians are faced with the choice of repudiating even a handful of voters, or adding another million dollars onto the federal budget, they will almost always choose the latter; therefore government needs must increase, in proportion as the number of people doing productive work declines. ■

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The Intractables

by Walter Shapiro

Presidential campaigns are designed to breed illusions. Every four years the country goes off on a bender of positive thinking. Candidates crisscross the nation stressing what they are going to do in office, ignoring the obstacles they will have to surmount in order to do it. This year both parties have candidates who promise to deflate the "bloated" federal bureaucracy. Anti-government rhetoric has always been a staple of the Republican right, but now it has become an article of faith for many Democrats as well. Jimmy Carter has won six early primaries by telling voters, "Don't vote for me if you don't want the government bureaucracy reorganized." Jerry Brown, who is even more of an anti-bureaucratic hardliner than Carter, now stands fourth in the Gallup Poll without having ever campaigned outside of California.

If a presidential campaign is a period of raised expectations, then the victor's first year in office is often a time of dashed hopes. In 1960, Senator John Kennedy promised to "get America moving again." In 1961, President Kennedy discovered that all movement was blocked by the conservative coalition in Congress. Jimmy Carter—a man who has promised to never tell a lie—assures voters that "when I get to Washington, I'm going to change the federal government drastically." One assumes that Carter is sincere. But what his enthusiastic audiences may forget is that drastic change is rarely welcomed by those who are profiting from the status quo. Realism suggests trying to pinpoint the likely obstacles that a President like Jimmy Carter or Jerry Brown would encounter in trying to turn campaign pledges into reality.

To get a sense of where some of the opposition might come from, I asked the leaders of several important federal employee unions what they thought of Jimmy Carter. The results were near unanimous. James Rademacher of the National Association of Letter Carriers was scathing in his criticism of Carter. The officials of the

Walter Shapiro is an editor of The Washington Monthly.

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National Federation of Federal Employees were equally hostile. Frank Taylor, the union's public relations director, said, "We object to politicians lying. Carter knows he can't cut the bureaucracy from 2,000 agencies to 200. He couldn't find the bathroom if he did." The union's president, Nathan Wolkomir, chimed in with this familar critique of Carter: "He never speaks on the issues. All we know is that he's for God and against sin." Clyde Webber, the rotund president of the American Federation of Government Employees, was somewhat more cautious. He admitted that he was "very much concerned" about Carter's anti-government rhetoric, but added, "I'd be reluctant to out-and-out condemn Carter. After all, we have to live with whoever is President."

The other group that has legitimate grounds to fear Carter is what might be called the poverty-industrial complex. This is the broad array of groups whose basic industry is ministering to the psycho-social problems of poverty. These are the service-deliverers, the social workers, the mental health professionals, and the storefront lawyers who depend on a steady flow of funds from labor-intensive federal programs designed to help the poor. Any President who wants to find money for new domestic initiatives recognizes that he must cash in some of these expensive residues of the poverty program and replace them with some variant of a guaranteed annual income. Carter alludes to this strategy when he talks about "one nationwide payment to meet the basic necessities of life." Back in 1971 when the unlikely duo of Richard Nixon and Pat Moynihan tried to enact a guaranteed annual income under the label of the Family Assistance Plan, some of the most devastating opposition came from social welfare organizations.

It is difficult to accurately reflect the viewpoint of the entire poverty-industrial complex because it has no central headquarters. Instead, it is made up of hundreds of little baronies concerned about specific pieces of social pork-barrel legislation. Most of these groups are not easily identified as lobbies. Non-profit organizations like the American Psychological Association and the National Association for Mental Health take a proprietary interest in community mental health legislation. The National Association of Social Workers has a more than casual interest in the fate of Title XX—the social services component of the welfare program. Because most of these "white hat" groups enjoy tax-exempt status (and are theoretically barred from devoting more than a minute proportion of their energies to lobbying), few of their Washington representatives are willing to talk for quotation about politics. But chatting with a number of them did produce a series of bitter attacks on Carter. These comments rarely involved substantive criticisms of Carter's social welfare policies. Instead, they concerned Carter's religion. One Washington lobbyist, who also fancies himself a civil libertarian, said, "I distrust all Southern Baptists, they just don't understand the pluralism of American life." A key figure in the mental health field complained about Carter's "evangelical dimensions" and diagnosed him as suffering from a messiah complex. A round-table discussion with staff members of one of the more important groups in the poverty-industrial complex produced vigorous nods of agreement when the senior official present commented unfavorably on Carter's evangelicalism.

An anti-government Democrat like Carter could win the nomination and the general election without the support of these social welfare groups and federal employee unions. But forces like these have the capacity to make life miserable for him once in office. Their hold over Democrats in Congress is analogous to the power of the military-industrial complex within the Republican Party. The next Congress will probably be almost as Democratic

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as the current one. This will be of considerable assistance to a new President who tries to cut the military budget, but it may be scant consolation for a President who sees the need to economize on domestic social welfare programs or trim federal employee costs. On issues like these, which are of crucial importance to any President who wants to control federal spending, Congress will become a battleground. "Carter will get chewed up," was the way one Senate administrative assistant predicted the outcome. Let's take a look at what some of these battles are apt to be like.

Recent political history provides a few sobering lessons about how resistant the federal government is to change. Carter promises to "reorganize the executive branch of the government to make it efficient, economical, functional, and manageable for a change." He would not be the first President to make this bold pledge. Another recent President called for "a complete reform of the federal government itself" because the executive branch "has become a hopeless confusion of form and function. . . ." It was only a little more than five years ago that Richard Nixon said these words in his 1971 State of the Union Message. Government reform was Nixon's "sixth great goal." What Nixon proposed was the creation of four super-agencies to take the place of all existing Cabinet departments except for State, Treasury, Justice, and Defense. The idea was never even seriously discussed. No one—neither congressional committees nor important lobbies—wanted to jeopardize their existing relationships with Cabinet agencies. It was clear that the AFL-CIO would fight as hard for the Labor Department as the farmers would for Agriculture. Even the environmentalists did not want to risk their fragile pipeline to the Interior Department. *Lesson—everyone prefers known bureaucracies to the unknown consequences of reform.*

It is equally instructive to take a look at the last serious effort to trim the size of the federal work force. Back in 1968, when Lyndon Johnson was fighting for a 10-percent surtax to finance the Vietnam War, he reluctantly agreed to support an amendment by Senator John Williams of Delaware in exchange for that influential Republican's sponsorship of the surtax proposal. The Williams amendment was simple: For every four federal workers who left the government through normal attrition, only three would be replaced. Once passed, the William amendment provided Congress with splendid opportunities for high farce. Each time Congress passed an appropriations bill, it included a rider that exempted the specific agency from the provisions of the Williams amendment provided of 1968, one third of all federal employees had been excluded from the coverage of the Williams amendment. Before the amendment was mercifully repealed in 1969, it appeared that the American Battle Monuments Commission would be the only agency to actually be forced to reduce the size of its workforce. *Lesson—there is no structural reform so ingenious that it cannot be thwarted by Congress on a piecemeal basis.*

In Union There Is Strength

The Congressional Budget Office has estimated that federal salaries are expected to rise by $25 billion to $74.3 billion annually in 1981. Increases in the cost of retirement and fringe benefits are expected to be equally precipitous. Any presidential effort to reduce these costs will face bitter resistance. Federal unions, particularly the three postal unions, are renowned for their ability to organize letter-writing campaigns to Congress when they fear that any of their prerequisites are threatened by legislative action. The lobbying ability of the federal unions will be greatly enhanced if, as appears likely, Congress repeals in 1977 the Hatch Act,

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which currently bars government employees from engaging in partisan political activity. (Both houses of Congress approved repeal in March by a healthy margin, but the bill was vetoed by President Ford.) Since almost all congressional Democrats support repeal of the Hatch Act, the chances of any Democratic President—even Jimmy Carter—vetoing such legislation are slight.

A close working relationship with Congress is not the only weapon in the arsenal of the government unions. Few outside of government recall that the country faced an illegal postal strike back in 1970. That strike ended only when Richard Nixon called out the National Guard to deliver the mail. It is less likely that a Democratic President, elected with labor support, could get away with such a hard-line response. Talking with James Rademacher of the letter carriers indicates that the postal workers have not lost their affection for this tactic. Even Clyde Webber, the cautious president of the largest union representing white-collar government employees, also obliquely referred to the possibility of a federal employee strike. He noticed with obvious glee that "a few weeks ago our people stopped working down there in Panama on the canal. . . .You couldn't get ships through the canal for a week. . . ."

The government unions would not stand alone in any of these battles. The mail-handlers, the postal workers, and the American Federation of Government Employees (AFGE) are all important members of the public service department of the AFL-CIO. The almost two-to-one congressional majorities supporting repeal of the Hatch Act are largely due to the AFL-CIO's lobbying efforts. And there is little doubt that the AFL-CIO is prepared to make the same determined stand against any effort to adjust federal salaries or benefits. A visit to John McCart, the executive director of the AFL-CIO's public service department, was enough to dispel any doubts on this point. McCart, a small, thin man with a soft voice, all but said that anti-government rhetoric reflects "anti-union attitudes." It's a strange viewpoint that equates the problems of steelworkers and machinists with those of GS-11 program analysts in the Commerce Department. But such are the demands of coalition politics within the AFL-CIO. McCart admitted that blue-collar unionists sometimes displayed the same attitudes toward government workers as their fellow taxpayers. "The obligation we have in the public service trade unions," McCart said, "is to make our brothers and sisters, our confreres, aware" of our viewpoints and concerns.

Here's the Kicker

The pension issue provides the clearest example that federal workers have little in common with other AFL-CIO members. The federal pension system is unlike anything in private industry. Between fiscal years 1974 and 1976, the cost to the government of federal pensions jumped 53.2 per cent. It is easy to understand why. Not only are federal pensions tied to the Consumer Price Index, but government retirees get an additional one-percent bonus (or "kicker" as it is called in government circles) each time the CPI rises by three per cent. In a time of rampant inflation, federal pensioners can see their real income rise by more than four per cent annually. It's like continuing to get seniority raises long after retirement. What accentuates the problem is that this "kicker" works like compound interest—each one-percent pension bonus becomes part of the base used to calculate the next cost of living adjustment. The Congressional Budget Office has estimated that elimination of the "kicker" would save the government $2.81 billion by 1981.

It is not surprising to hear Clyde Webber of the AFGE defend the pension "kicker." He claims that the public outcry over this quaint practice

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"just goes to show you that a person who retires is just put on the shelf." It is a little more disheartening to hear the same rhetoric from John McCart of the AFL-CIO, who might be expected to reflect a slightly less parochial viewpoint. But, like Webber, he described it as "an issue that is receiving an awful lot of uninformed publicity."

The stubborn opposition that a President like Carter would face from the AFL-CIO is not limited to basic issues like salaries, benefits, and the size of the work force. John McCart made abundantly clear that the AFL-CIO would cast an equally jaundiced eye at efforts to restructure the federal government. The following exchange illustrates the extent of the AFL-CIO's tunnel vision all too clearly:

Q: How involved would the AFL-CIO be in any reorganization efforts under a President like, say, Carter?

A: Any reorganization is invariably accompanied by some kind of adverse effects on some workers. People are transferred, offices are abolished, and positions are downgraded. Sometimes we've objected to government reorganization in total, other times we've offered constructive alternatives. I guess you'd have to call us skeptical on the whole subject.

John McCart's comments suggest that any government reorganization plan developed by Carter would have to be negotiated with the AFL-CIO. It is not a cheering prospect. An administrative genius could not develop an effective method of bureaucratic reform that did not adversely affect some of the federal government's vast army of planners, coordinators, facilitators, and analysts. There is even some doubt that a President like Carter could reduce the size of the federal work force by placing restrictions on new hiring. The sorry history of the Williams amendment suggests how strongly government agencies will resist cutbacks in the size of their staffs, even if it is carried out through normal attrition. A federal job freeze would also place a President in sharp conflict with the demands of black and women's groups for continued hiring to meet the goals of affirmative action within the federal work force. After his "ethnic purity" remark, Jimmy Carter would be particularly vulnerable to pressure from the Congressional Black Caucus and similar groups.

It is easy to picture the conflict over any presidential effort to reorganize the federal bureaucracy or to limit increases in governmental salaries and benefits. In the end, it would boil down to a simple power struggle—the President versus the AFL-CIO and the federal unions.

Battling the 'White Hats'

The action becomes much more complicated if a new President tries to reorganize domestic social welfare, educational and health legislation. Each piece of legislation that comprises the social pork-barrel has its own configuration of powerful supporters. These groups, likely to emerge as the implacable opponents of any change in the status quo, range from tax-exempt national associations to friendly congressional committees to bipartisan political lobbies like the National Governors Conference and the big-city mayors. Add to this alliance such important voices as the editorial pages of *The New York Times* and *The Washington Post*, which generally reflect the attitudes of the social welfare establishment. Groups like these never allude to their own self-interest. Instead, they present their heavily emotional arguments as the self-appointed spokesmen of the nation's children, elderly and welfare recipients.

The power of these ad hoc coalitions is illustrated by the failure of White House efforts since 1969 to abolish, or even significantly trim, the $633 million in educational funds appropriated annually for "impacted" areas. These school districts are not "impacted" by poverty or severe

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educational problems. All they suffer from is a higher than average concentration of federal workers. It is one of the more ludicrous income transfer programs ever devised by the federal government, since many of these districts, such as the Washington suburbs, are among the richest areas of the country. No one any longer attempts to defend this program on grounds of logic or equity. But school districts have come to consider this federal subsidy as their due and the money flows to far too many congressional districts for a President to ever assemble a majority to curtail this mindless federal program.

Another example of a federal program that refuses to die is the Hill-Burton Act which funds hospital construction. Although the rapid increase in hospital costs is directly attributed to an over-supply of hospital beds, the federal government continues to spend more than $200 million annually to add to this surplus. The school lunch program is another social welfare program that has such sentimental appeal that it never would be cashed in to pay for a guaranteed annual income. In fact, a new President may have his hands full preventing the Democratic Congress from providing subsidized lunches for all school children, regardless of family income. When Jerry Ford vetoed an expansion of the school lunch program last year, *The New York Times* thundered back with an editorial entitled "Vetoing Children."

Down Home Pressure

Richard Nixon fancied himself as the President who halted more than 40 years of the overcentralization of federal authority in Washington. To some degree that self-assessment is justified. In 1966 state and local governments received $13 billion from the federal treasury. Today that figure has grown to $63 billion annually, thanks largely to such Nixon-era reforms as revenue-sharing and the expansion of few-strings-attached grants to the states. In a period when a number of states and cities are teetering on the brink of financial ruin, federal grants now comprise 25 percent of the budgets of state and local governments. Any effort to alter the status quo virtually ensures the spirited opposition of the nation's governors and mayors. Congress would be hard pressed not to be swayed by this type of lobbying. An individual legislator is almost inevitably going to oppose cutbacks in federal grants if his home-town mayor tells him that any reduction in federal funding will threaten the solvency of his city. Moreover, if a Democrat is elected President this fall, Democratic mayors and governors are likely to have allies at all levels of the federal bureaucracy.

Consider what would happen if a new President tried to phase out Title XX of the Social Security Act, which gives $2.5 billion annually to the states for social welfare programs. The front pages of New York newspapers would be filled with articles quoting Mayor Abraham Beame and Governor Hugh Carey alternately predicting either default or rioting in the streets if the city lost its share of these federal social service funds. Community leaders would foresee a devastating crime wave if the city's methadone clinics were closed. This pattern would be repeated in smaller cities across the country. A congressman from Dayton or San Jose is likely to get a call from the local mayor warning that nine daycare centers, six mental health clinics and four senior citizen drop-in centers would be forced to shut down if these federal funds were not available. HEW officials would provide friendly congressmen with inflated estimates of the dire consequences of the elimination of this one $2.5-billion program. The inflated HEW figures would form the basis for angry editorials in *The New York Times*, *The Washington Post*, and the *New Republic*. Groups like the American Public Welfare Association and the

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Child Welfare League would discreetly convey similar messages to Congress. Legislators could also count on visits from charities like the Girl Scouts and the YMCA, which receive significant funding under this loosely administered program. A small "March on Washington" might be organized by urban congressmen to galvanize opposition to the President's proposal. With this type of vocal opposition, a new President would be lucky if he could even get Congress to seriously consider his proposal, let alone approve it.

Another Ike?

The prospects for reform are not totally bleak, however. For one thing, it is at least theoretically possible that a Democratic President could do to the poverty-industrial complex what Eisenhower did to its military counterpart when he ended the Korean War. For another, a President who reorganized domestic social welfare programs would have a few allies in Congress. The Budget committees of both the House and Senate are sensitive to the need to spend the government's limited social dollars as efficiently as possible. Perhaps the most dramatic conversion experience was that of Edmund Muskie, the chairman of the Senate Budget Committee. In a well-publicized speech in October 1975, Muskie asked, "Why can't liberals start raising hell about a government so big, so complex, so expensive, and so unresponsive that it's dragging down every good program we've worked for?" Between the lines of that Muskie speech was the message that liberals had better consider cashing in some of the outmoded social programs if the government was ever going to generate enough new revenue to pay for national health insurance.

Despite this base of potential congressional support, any President trying to reform the bureaucracy and abolish ineffective social programs is likely to be beaten by the intractable opposition of those who continue to derive small benefits from the current system. Federal workers are unwilling to forego any of their fringe benefits, even if they know that their intransigence is merely postponing an inevitable day of fiscal reckoning. The social welfare establishment has become so wedded to existing social programs that they, rather than the remaining handful of congressional troglodytes, have become the most powerful obstacles to fundamental change. Albert Quie, the ranking Republican on the House Education and Labor Committee, and one of the most respected critics of current social welfare programs, is very pessimistic about the chances of cashing in labor-intensive social programs and replacing them with some form of a guaranteed annual income. He sees the social workers as the primary villains because they refuse to recognize that their salaries are draining off money that could otherwise go directly to the poor. He fears that it will take a federal financial crisis on the order of New York City's to bring about reform. In short, things must get a lot worse before they can get better.

These arguments are not designed to dissuade a new President like Jimmy Carter from taking on the federal bureaucracy. What is needed, however, is a realistic appreciation of the magnitude of the task. The election of a new anti-government President would, in itself, change little. The opposition to change is far too well-entrenched to be dislodged by a few Presidential speeches and the appointment of a government reform commission. To have any lasting impact, a new President must see government reform as his major domestic priority. He must subordinate virtually all other political considerations to the need to assemble a coalition to battle the federal unions and the social welfare establishment. Even then, it will be one hell of a fight. ■

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The Burglar's Bill

by Kenneth Dalecki

Every diligent newspaper reader knows about S.1, the "Criminal Justice Reform Act of 1975." This 735-page bill, in the works since the Johnson Administration, is an attempt to codify the present hodge-podge of federal criminal law. It would, for example, eliminate such inconsistencies as maximum sentences of ten years for robbing a Post Office and 20 years for robbing a bank. The bill is notorious to journalists and civil libertarians, however, because of provisions added by the Nixon Administration which would create an "Official Secrets Act" (or "Ellsberg Law"), making it illegal to release or receive classified government information. This is widely perceived as an effort to punish and muzzle the press and its sources.

Recently, S.1 has become notorious within a very different group—conservatives, who are convinced that it would deny them the right to shoot burglars who break into their homes. This wave of alarm is curious for two reasons. First of all, no such absolute right exists. Secondly, S.1 has nothing whatever to say on the subject. Odder still, this false alarm was set off by a liberal reporter active in the fight against the Official Secrets Act portion of the bill.

The reporter is Jack C. Landau, Supreme Court correspondent for the Newhouse News Service. Landau, who holds a law degree, testified against S.1 in May 1973 and April 1975 as a member of the Executive Committee of the Reporters Committee for Freedom of the Press. (This is the group recently involved in the Daniel Schorr/*Village Voice* CIA report controversy.) Last July, Landau wrote a four-part series for Newhouse, highly critical of the anti-leak parts of S.1.

In September, Landau wrote the story which set a fire under the vocal right-wing. The Birmingham (Ala-

Kenneth Dalecki is a Washington reporter for the Thomson Newspapers.

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bama) *News* ran it under the headline: "Administration Backs Bill to Make Shooting Intruders U. S. Crime." Landau's lead said that S.1 "would make it a federal crime in some instances for a citizen to shoot a nighttime prowler on the spot." He wrote that it would "negate the widely held belief that a person can shoot a nighttime prowler with no questions asked."

Deadly Force

The subsequent controversy shows that this belief is indeed widely held. But it is mistaken. The question of when it is appropriate for a citizen to use "deadly force" to protect himself, his family, and his property is one state lawmakers have long struggled with. Some have settled on a highly restrictive approach which requires that human life be threatened before deadly force can be used. Others lean toward permitting deadly force for the prevention of any felony. (As one expert has noted, this raises the possibility of an unhappy wife shooting her husband for overstating charitable contributions on his income tax return.) But in any event, like most basic criminal law, it is a matter left to each state to decide for itself.

S.1 is concerned only with the use of deadly force for the protection of *federal property*, such as post offices, and has no effect on the rights of individual homeowners and shopkeepers. Furthermore, it gives carte blanche to neither the protector nor the invader. It quite reasonably forbids the use of deadly force merely to "terminate a trespass" on federal property. But this prohibition applies, according to Assistant Attorney General Richard L. Thornburg, "only in a situation where it would be clear to any reasonable man, even in the heat of the moment, that no danger to the life and limb of persons rightfully on the premises was involved."

The particular words in S.1 which have caused the most fuss are those dealing with "safe retreat." Landau said in his story that a homeowner could be convicted of murder "if he had the opportunity of 'retreating [to another part of his house] with complete safety to himself and others before shooting a prowler." S.1 as drafted said merely that the possibility of safe retreat "is a circumstance to be considered with all other circumstances in determining whether such [deadly] force was reasonably required." And, again, it applied only to federal property, not to homeowners.

Landau picked up his story at a meeting of the ABA House of Delegates in August at Montreal. There to debate and take positions on the various provisions of S.1, the lawyers disagreed so thoroughly about the "deadly force" provision that they decided to take no position on it.

Simplify, Simplify

Landau concedes that his failure to explain that S.1 applies only to federal property and not to the typical homeowner was a major fault. But he insists that it was merely a confusing omission, and not a mistake. "I never said it applied to the states, but I never said it didn't," he says. "That's one of the problems of legal writing—you have to simplify it. . . . It is one thing if you make a flat misstatement. It's another thing if you don't say it." As to the widespread public reaction, "Frankly, I was taken aback. I never thought people would take it that way, but they did."

Even concerning federal property, the provisions of S.1 represent no "liberalizing" trend. According to Thornburg, they "merely codify existing case law." Rep. Charles E. Wiggins, the conservative California Republican, says, "If anyone thinks he can shoot a burglar with impunity under existing laws, he is in for an unpleasant surprise."

Apparently many journalists, at least, think exactly that. Landau's fellow newsmen wasted no time running off with his story. The Louisville

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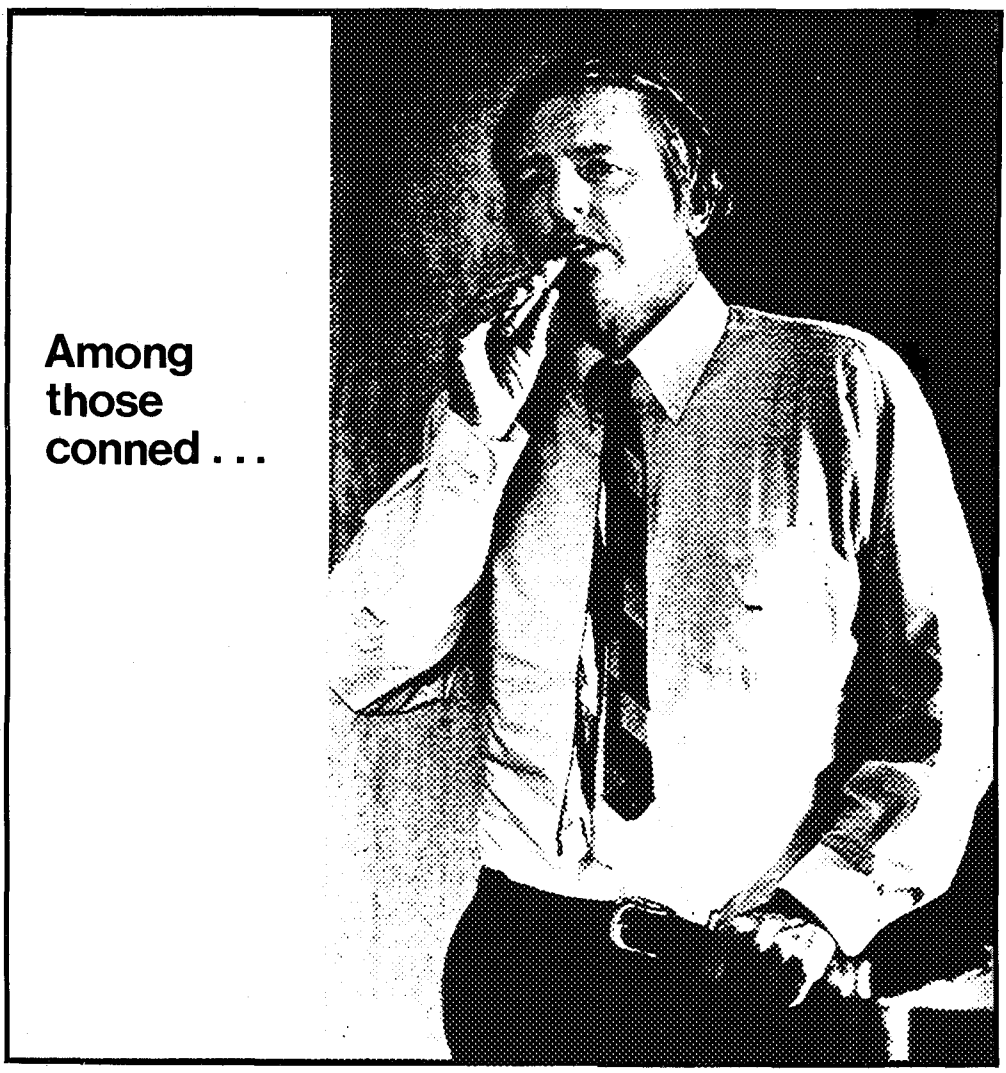

Courier Journal, which printed Landau's story on September 3, also published that same day a column by its humorist, Richard Des Ruisseaux. Des Ruisseaux said the bill would "turn a man's castle into a supply depot for burglars" and imagined a homeowner being charged with manslaughter if a startled thief died of a heart attack in his living room.

Columnists Paul Harvey and William F. Buckley fell for the story. Harvey declared without qualification that S.1 "would supersede any state laws to the contrary." His inflammatory column included a scene where a homeowner is forced to "lock himself in his bedroom, crawl under the bed and wait until the cute kids slash the curtains, spray-paint the walls, steal what they want and set fire to what's left."

Buckley engaged in a similar flight of fancy in which he had a silverware thief advising an armed homeowner that S.1 requires him to "repose" in the bedroom until he completed his burglary.

A Hearst editorial, distributed throughout the newspaper chain, declared that any homeowner who shot a burglar would violate federal law under S.1, "and thus become a criminal himself." Hearst papers helped

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stimulate the avalanche of mail received by Congress since Landau's article appeared. "You can help have them [the allegedly pro-burglar provisions of S.1] deleted if you write a brief note to your congressman or senator expressing your disapproval," the editorial advised. "Do it today. And attach a copy of this editorial as explanation of your opinion."

Do-Gooders

Whether or not this was his intent, Landau succeeded in turning several conservative congressmen against S.1. They jumped at the chance to strike a law-and-order pose, although they could not possibly have read the provision they were attacking. Rep. William L. Dickinson, an Alabama Republican described by an admiring local columnist as "a former judge with a 'get tough against crime' reputation," was quick to draw his prose pistol in a weekly column supplied to the local press. Dickinson told his constituents that the bill "appears to be a left-wing attempt to make it more difficult for a man to protect his life and property. Lenient, liberal judges all across the country have already made it far too easy for criminals to prey on their innocent victims without fear of reprisal. Nighttime burglars and other assorted thieves should have a real field day though if this 'Criminal Justice Reform Act of 1975' becomes law."

Rep. L. A. "Skip" Bafalis, a Florida Republican, went even further in his weekly column. He said S.1 would "make it a crime to *harm* an intruder who breaks into your home." Skip said the burglar provision of S.1 "is part and parcel of the theory being expounded by some do-gooders, that criminals are to be protected, are to be granted more rights than honest citizens. If we accept that theory, the next step will be a requirement that all homeowners install safety glass so the robbers won't cut their hands when they smash the windows to get in."

Rep. James H. Quillen, a Tennessee Republican, inserted a statement in the Congressional Record calling S.1 "sheer, total, and absolute lunacy." Before long, he warned, homeowners would have to "invite the crooks in for milk and cookies and then beg for mercy!"

Clarification

In November Landau finally wrote a followup story, supposedly intended to serve as a correction of his original error. To the casual reader, however, it did little to change the original story's thesis.

"A legal tempest has developed in Congress over a proposed federal law which would make it a crime to shoot a nighttime prowler on the spot unless the home resident is 'reasonably' certain that he or his family is in danger," Landau began. Not until 23 paragraphs later did he mention that the "legal tempest" was "sparked, in part by a news story by the Newhouse News Service."

In his second paragraph, Landau said sponsors of the bill "intended" it to apply only to federal property. "But legal authorities say the bill's effect may go beyond that intent," his third paragraph countered. The story later noted that these authorities "appear to be supported by columnist William F. Buckley." The basis of Landau's statement that the bill's "effect" might go beyond its "intent" was that state lawmakers sometimes are influenced by federal laws.

The Senate currently is trying to reach a compromise on S.1 that will get the bill passed after all these years. Party leaders Hugh Scott and Mike Mansfield hope to achieve a consensus by removing the controversial provisions and voting on all the rest. It appears that the "controversial" category will include both the "Ellsberg Law" portion, which would radically change the current law, and the "deadly force" section, which would have no effect at all on the law except to clarify it. ■

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Memo of the Month

INTERSTATE COMMERCE COMMISSION

WASHINGTON, D.C. 20423
AREA CODE 202—343-4762

FOR RELEASE:
Monday, June 9, 1975

No. 177-75

RAIL SERVICES PLANNING OFFICE SEEKS COMMENTS
ON CRITERIA FOR MAKING RAIL SERVICE
CONTINUATION SUBSIDY DECISIONS

The Interstate Commerce Commission's Rail Services Planning Office today invited public comment on its approach to the development of criteria to assist States, and local and regional transportation agencies in the 17-State Midwest-Northeast region in deciding whether to provide subsidies to continue rail service that otherwise might be abandoned under a rail reorganization plan being prepared by the U. S. Railway Association.

Under the Regional Rail Reorganization Act of 1973, the Office is directed to:

> ***Assist States and local and regional transportation agencies in making determinations whether to provide rail service continuation subsidies to maintain in operation particular rail properties by establishing criteria for determining whether particular rail properties are suitable for rail service continuation subsidies. ***

The Office's approach to the development of such criteria is to identify the relevant factors, to explain the decision-making process and to discuss the alternatives available in a publication for the use of potential subsidizers. The notice sets forth these points in detail.

To avoid possible confusion, the Office noted that this proceeding pertains to subsidy criteria, required to be issued by the Office under Section 205 (d) (4) of the Act, and not to subsidy standards, issued previously by the Office pursuant to Section 205 (d) (3).

Comments on the proposed criteria, published in today's Federal Register, should be filed with the Office on or before July 24, 1975, in triplicate. They should be sent to:

Ex Parte No. 293 (Sub. No. 6)
Rail Services Planning Office
1900 L Street, Northwest
Fifth Floor
Washington, D.C. 20036

Copies of the proposed criteria are available at the Rail Services Planning Office and from the Commission's Secretary.

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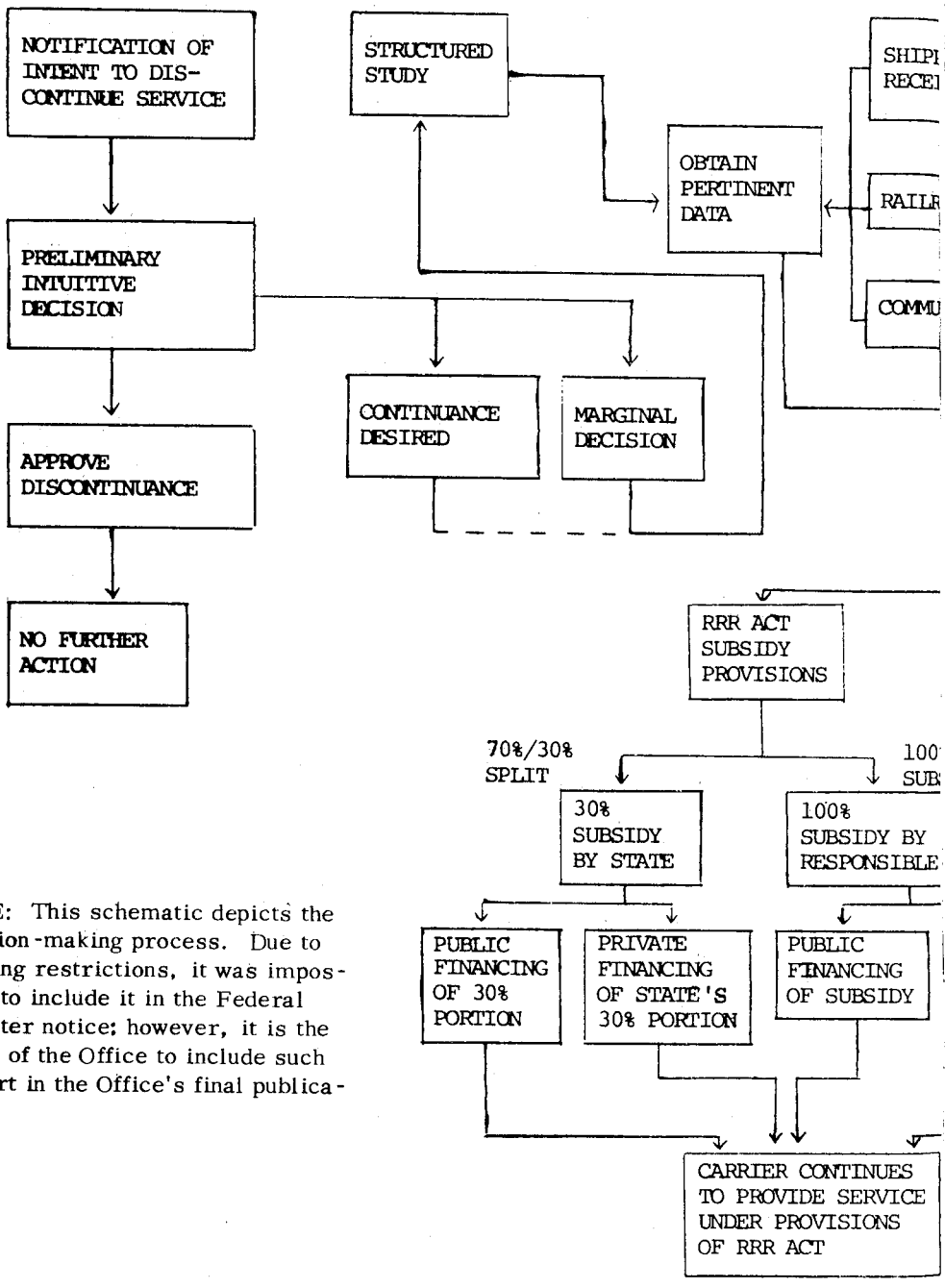

NOTE: This schematic depicts the decision-making process. Due to printing restrictions, it was impossible to include it in the Federal Register notice; however, it is the intent of the Office to include such a chart in the Office's final publication.

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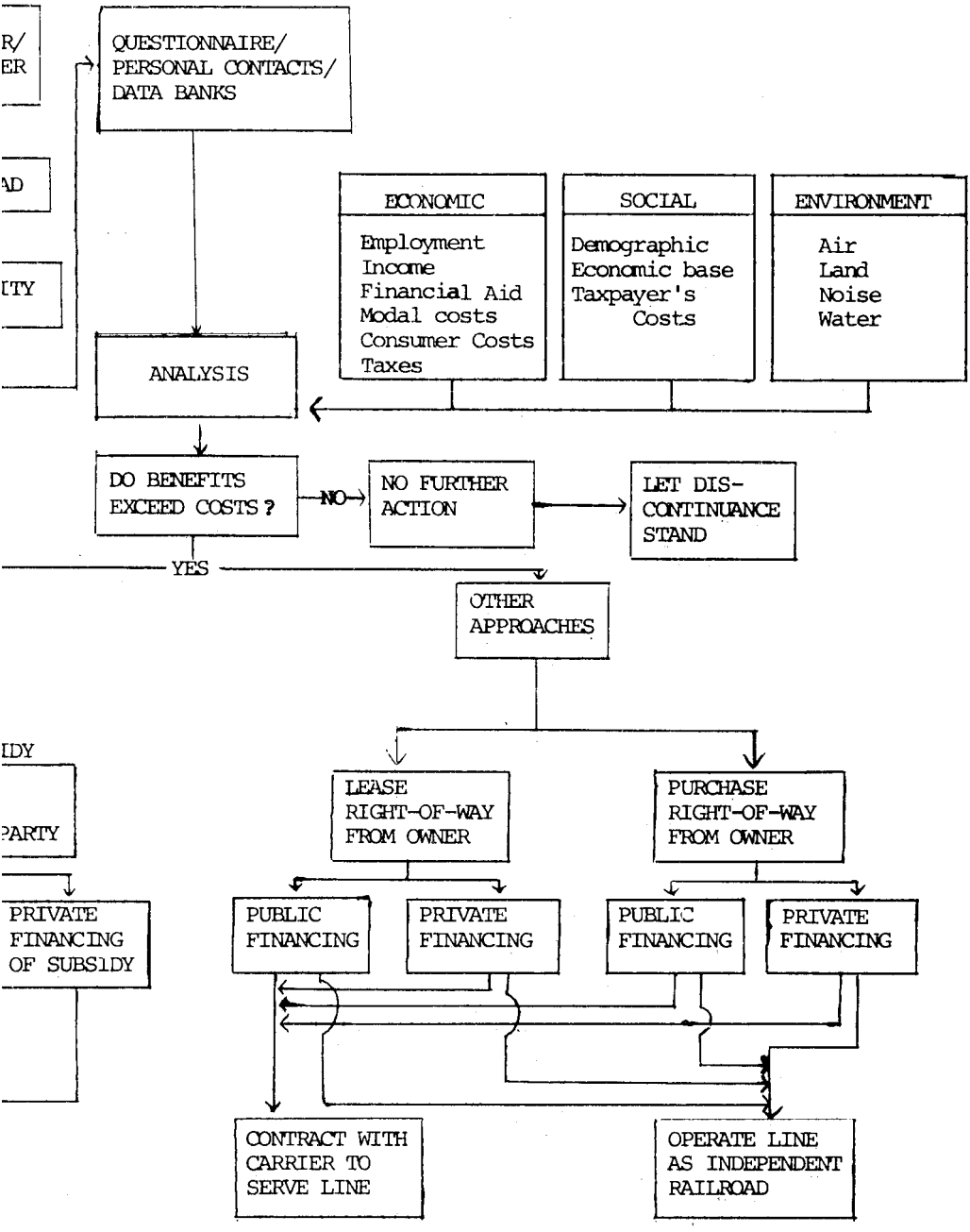

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Calling in the Big Bills

by James Henry

Whose picture is on a $100 bill? Have you ever had a $100 bill in your wallet? How often have you even seen a $100 bill? Or a $500, or a $1000?

Of the roughly $80 billion in paper currency now outstanding in the United States, over $21 billion is in $100 bills. This means that there is one $100 bill for every man, woman, and child in the country. In addition, there is close to $8 billion in $50 bills, and almost half-a-billion dollars in currency denominations *above* $100. All told, denominations of $50 or more account for over 40 per cent of the domestic currency. The ordinary ones, fives, and tens to which most of us are accustomed represent only about one quarter of the paper money supply.

This would not seem so odd if consumer credit, the checking account, and price inflation were less important aspects of the American economy. But approximately 90 per cent of consumer and business transactions are handled by checks drawn against demand deposits (checking accounts). Only small retail purchases are routinely made with cash. Furthermore, with price indices rising at annual rates in excess of six per cent, cash, a non-interest-bearing asset, is the worst store of wealth imaginable.

The historical evidence is even more perplexing. You might expect that increased urbanization, the rise of real incomes, the invention of credit cards, and the automatic withholding of taxes, union dues, and pension and medical fees would have reduced the demand for cash. Initially this reduction did take place. At the end of the Civil War, there was about $80 in currency in the United States for each $100 of demand deposits. By 1929 this ratio had declined to $15 per $100. But then the ratio began to rise. By 1958 it had reached $25 per $100, and by 1974, $31.32 per $100, close to its 1895 level. The real value (in

James Henry is a Danforth Fellow in economics and law at Harvard University.

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1967 consumer prices) of currency per capita in the United States has risen from $78.64 in 1929 to $248.38 in 1975, while the real value per capita of denominations of $50 or more has risen from $20.55 to $90.47. In other words, even eliminating inflation, the average American has almost five times as much money in large bills as he or she did 46 years ago.

Of course the *average* American carries around no large bills at all. Where is all this cash? Unfortunately there has been no census of currency holdings in the United States since 1933. As the detectives assigned to this case, therefore, we are left to our own devices. At first we might guess that a lot of the currency is held by the domestic banking system, non-financial domestic enterprises, or foreigners. But this turns out to be false.

Commercial banks are required by the Federal Reserve to maintain a certain percentage of their assets in liquid form, and cash in the vault is sometimes used for this purpose. But banks try to minimize cash holdings in order to hold interest-bearing assets. At present the total amount of currency held by the U. S. Treasury, Federal Reserve member banks, and the rest of the financial system is only about one fifth of the currency in existence and less than five per cent of the paper denominations over $50. This still leaves well over $60 billion unaccounted for, $30 billion of it in the large denominations.

Foreign holdings of U. S. currency reached a peak in the years immediately following World War II, when the dollar was quite strong relative to other currencies. Even then, the maximum estimate of these holdings was $4 billion, or less than 20 per cent of the currency then available. The subsequent weakening of the dollar, culminating in the 1971 devaluation, has no doubt reduced this fraction to under ten per cent.

The amount of currency held by non-financial businesses at any one time is somewhat more difficult to estimate. But it is clear that a general rise in the level of interest rates since 1945, wider availability of short-term bonds and notes, and the expansion of corporate credit have all increased the velocity of business funds. The faster money is circulating, the less is needed to conduct a given volume of business. In 1948, the Federal Reserve estimated that of the $25.4 billion of currency then in circulation, only $4.8 billion was held by business. Ignoring all the factors which suggest a decrease in legitimate business's need for cash, an outside estimate of the currency now held by non-financial domestic enterprise still is only about $12 billion. Most of this probably is in smaller denominations or coin.

So, even allowing liberally for all the obvious users of currency, we still have at least $40 billion, including most of the large denominations, to account for. The mystery is, who is making use of these bills?

A Hypothesis

There are only two kinds of activity in the U. S. which depend almost exclusively upon large, untraceable, non-credit transactions. The first is profit-motivated crime: illegal gambling, drugs, prostitution, loan sharking, protection, the fencing of stolen merchandise, etc. The second is tax evasion by people who arrange to receive cash income and don't report it. It also happens that both of these activities have experienced growth which coincides with the turnaround in currency demand since the 1930s.

(Actually, a third kind of activity which depends heavily upon cash is the illicit receipt of wage income by people who also collect payments from government programs such as welfare or unemployment insurance. This would probably be much less dependent upon the use of large denominations, however.)

These activities have two things in common. First, they depend on cash. In the case of tax evasion, this is

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simply to avoid bank records which might prove legally embarrassing, and also to avoid paying spouses. In the case of organized crime, cash is also useful because it gets around the problem of lack of trust and inherent lack of legal recourse between the interested parties.

Secondly, both activities have a special need for large denominations. Using cash in large transactions where any legitimate businessman would write a check, organized criminals would be sorely inconvenienced if they had to slip a couple thousand bucks to a judge in the form of $5 and $10 bills. Tax evaders simply find it much easier to hide and store large bills. Using large bills, a lot of money can be stored in a very small area, as the following story from *The Wall Street Journal* indicates:

"Tax investigators recently closed in on a Dallas area dentist who stashed $20,000 of unreported income in a coffee can. He arrived home one day to discover his wife had thrown the can into the trash. After finding that neighborhood trash had already been collected, he hired a bulldozer for $5,000 and carefully sifted the city dump. By the time the frantic dentist finally located the coffee can, the whole town—as well as interested government agents—knew about its contents."

What I am suggesting is that these forms of illegal activity can explain the demand for the "missing bills." The evidence as to the size of these activities supports this logical assumption. Of course, there are no exact estimates. But the best evidence which I have been able to gather suggests that, considered together, these forms of crime almost certainly yield more *net* income to their participants than the top ten U. S. corporations earn each year in profits *before* taxes.

Tax Evasion

Our most definite information is on the extent of tax evasion. One way to establish an upper limit is to compare the adjusted gross income (AGI) for the U. S. economy that is estimated each year by the Department of Commerce, with the AGI actually reported on tax returns. In recent years, about 92 per cent of the estimated AGI has been reported. In 1975 the difference amounted to about $75 billion. To determine how much of this is tax evasion, we must subtract income which is earned by individuals who are below the filing requirement level. But in 1975 this unreportable income only amounted to between $6 and $8 billion. So unreported taxable income, computed in this manner, might be as much as $67 to $69 billion.

This "residual method" of estimating income tax evasion is subject to measurement errors at each step of the analysis. It also doesn't tell us directly how much actual currency is required to support this volume of "business." Using econometric techniques (details available upon request), I have estimated that the total value of large-denomination bills ($50 and greater) held for the purpose of tax evasion in 1973 was somewhere between $7.9 billion and $15.7 billion, with the most likely figure being $11.8 billion.

This *stock* of money being held for tax evasion suggests in turn a total *volume* of tax evasion in the year, which depends on the *velocity* with which this money circulates. In recent years the velocity of money in ordinary transactions has been five (meaning that the average dollar gets transferred five times in the course of the year). The velocity of the average tax evasion dollar almost certainly is much lower than this, since tax evaders put away their bills in coffee cans rather than spend them, to avoid the watchful eye of the IRS. A reasonable figure for the amount of tax evasion using bills of $50 and higher might be $30 billion a year—not $69 billion, but still quite a lot.

It is interesting to speculate about who actually receives this income. Since almost all members of the sala-

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ried labor force are subject to cheat-proof withholding taxes, most of it probably goes either to self-employed professionals (doctors, lawyers, and independent contractors, for example), proprietors, or casual laborers (night-club performers, cabdrivers, and waitresses). Here, however, we have been concerned with the use of *large* denominations to evade taxes. The main recipients of this kind of unreported income are probably the self-employed professionals and proprietors, individuals who would have had above-average income even in the absence of tax evasions. This suggests that actual income distribution might be even more unequal than what is reported. For example, the total pre-tax income--including government transfer payments--for the 23 million people with incomes below the poverty line in 1973 was only $18.5 billion. Assuming that those who received the unreported income that year would have been subject to a 30-percent effective tax rate, the loss in federal revenues due to tax evasion amounted to nearly one half of the total money income of the poor.

Organized Crime

We have already accounted for perhaps one third to one half of the demand for the "missing" large denominations. Organized crime accounts for another sizeable fraction. Here, however, there are no income-accounting or econometric methods to lend a hand. The volume of criminal transactions is not treated as part of the GNP, even though illegal income is taxable if the IRS learns of it. In the absence of hard facts, this volume has been a popular subject of conjecture, not unlike the size of the Loch Ness monster. Meyer Lansky was once quoted as saying, "We are bigger than U. S. Steel." In the early 1950s the Kefauver committee arrived at a figure of $20 billion per year for the annual volume of illegal gambling alone. In 1967, the President's Commission on Law Enforcement estimated the annual profit of organized crime at roughly $7 billion, compared with the $7.2 billion in net profit earned by the top ten U. S. corporations in 1968. It also claimed that illegal gambling proceeds in that year ran as high as $50 billion, that loan sharking was a "multi-billion dollar" enterprise, and that narcotics traffic was upwards of $350 million. More recently, drug enforcement officials in New York City calculated that the illegal heroin and cocaine business there was worth between $2.5 and $3 billion per year, and employed 20,000 people.

The problem with such estimates is that they usually come from law enforcement officials, or from politicians. Both have a potential interest in exaggerating the proportions of criminal activity. (One possible explanation for the renewed attention given the New York heroin traffic during the last few weeks of 1975, for example, was the threat of layoffs in drug enforcement agencies.) But some support for these large estimates comes from other available information. We do know that the current volume of *legal* gambling each year is at least $5 billion. The establishment of state lotteries in the major industrial states does not appear to have reduced the demand for illegal gambling, since state lotteries do not permit "sports gambling" or daily numbers games. The volume of illegal gambling must be at least as large, and perhaps larger.

We do know that the current street price of heroin is about $20 per bag, and that an addict will shoot up between one and five times a day, depending upon the supply, consuming one or more bags each time. There are no reliable estimates of the number of heroin addicts in the U. S., but it is clear that the number has increased dramatically since 1966, when the Bureau of Narcotics claimed that there were exactly 59,720. Several local studies around the country support this conclusion. Assuming, conservatively, that there are only 200,000 addicts in the U.S., who

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consume an average of only one bag per day, the total volume of heroin traffic would be about $1.5 billion this year. Of course this is only a fraction of the total illegal drug trade.

We do know that nearly one million automobiles are stolen each year in the U.S., and that only about half of these are ever recovered. If most of those which are unrecovered are stolen by "professionals," if these professionals specialize in the theft of late-model autos, and if these were resold to dealers at only 25 per cent of their market values, then illegal traffic in stolen autos might bring in nearly $500 million each year. (Technically, this is a transfer payment, not an item which belongs in the "criminal GNP.")

The other profit-motivated, cash-demanding crimes are more difficult to handle precisely. By far the most important of these is loan sharking, which might easily be almost as large as the annual level of illegal gambling. But the composite volume of prostitution, extortion, bribery, truck hijacking, cigarette smuggling, securities theft, pension graft, counterfeiting, and union racketeering might well be equally important. We are admittedly on extremely thin evidentiary ice, but all told, a $30-billion figure for the present annual volume of profit-motivated crime in the United States does not appear to be unreasonable.

Assuming a reasonable velocity for the cash required to meet this annual volume, it is likely that between $5 and $10 billion, mostly in large denominations, is held at any given time by participants in criminal enterprise. When added to the estimate for tax evasion hoarding, these figures suggest that well over half of the $50, $100, $1,000 and higher-denomination bills are held for illegal purposes.

Calling All Cash

The implication of all this detective work is clear: currency reform. The U. S. Treasury and the Federal Reserve should call in all large denominations on very short notice and exchange them for new bills. All exchanges would be conducted through banks; it would be a punishable offense to sell large denominations at a discount to other private individuals so that they might exchange them in smaller bundles. All exchanges at banks would take place under the watchful eye of the IRS, especially those in large amounts. Of the new bills issued in exchange for the old $50s and $100s, most would be $10s and $20s.

Now, before the reader dismisses this proposal as harebrained, let him or her consider the following points. First, this scheme would not be entirely unprecedented. Successful currency reforms were undertaken in West Germany in 1948, France in 1959, China in 1956, and the Soviet Union in 1947 and 1961. The United States itself organized several currency recalls in South Vietnam, during our visit there. The procedures followed were much the same as those which are suggested here, and those procedures worked very well, without chaos or financial panic. A currency reform aimed soley at large denominations would be much easier than a general currency reform, since the concentration of ownership of large denominations is so high.

Secondly, the economic costs of this scheme would be trivial in comparison with its benefits. The chief direct costs would involve the replacement of old bills with new bills and the administration of IRS inquiries. Of course, an unknown proportion of the old bills would not be turned in because of the owners' fear of legal adversity. But even if all bills of $50 or more were turned in, the cost of replacing them with new $50s and $100s would be only about $4 million. If they were replaced with smaller (under $20) denominations, newly issued, the cost might run as high as $50 million. The investigation costs are more difficult to measure, but they might be covered out of the new assessments for back taxes which they

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A less obvious cost of this scheme arises from the fact that carrying cash amounts to an interest-free loan to the government. A dollar bill is really like a government bond that pays no interest. By reducing the usefulness of cash for criminal purposes, the government will decrease the demand for it. To maintain the size of the total money supply, the government will have to issue interest-bearing securities. Whatever this cost might be, the government clearly should be willing to give up this share of the "take" it earns through currency policies which facilitate criminal activity.

The Effect

The immediate effect of this scheme would be to strike a sharp blow at tax evaders, dope dealers, racketeers, purveyors of vice, and corrupt officials. These denizens of the criminal deep would have to surface with the large cash balances which they carry on hand, and the tax authorities could begin to ask questions.

Naturally, many criminals would search hard for ways to escape these consequences. Unless the reform was carefully implemented they might, for example, convert large bundles by selling them piecemeal at a discount. (Participating in such discounting might be made a criminal offense. In any case this discounting would have an equalizing effect on the income distribution.) Or they might run from bank to bank, cashing in small amounts at each one. (Old bills might be redeemable only at a bank in the city where one is register to vote, with cross-checking between banks in each city.) Or they might refuse to answer IRS questions about the source of the cash, asserting the Fifth Amendment privilege against self-incrimination. (Large amounts of cash which surfaced without explanation would nevertheless provide very useful investigative leads.) In general, these escape routes would not be difficult to

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check, assuming that the reform were introduced with the appropriate degree of surprise and cunning.

In the longer run, cutting down on large denominations in circulation would increase the transaction costs of illegal activity (by, for example, reducing the amount of money that can be contained in any given suitcase). The liquidity crisis which would ensue for tax evaders and other criminals might to some extent be averted by the substitution of other currencies, or other exchange mediums such as precious metals. But these are much less convenient, especially for consumer-oriented criminal enterprise. In any case the substitution would be expensive and time-consuming.

No Cash Lobby

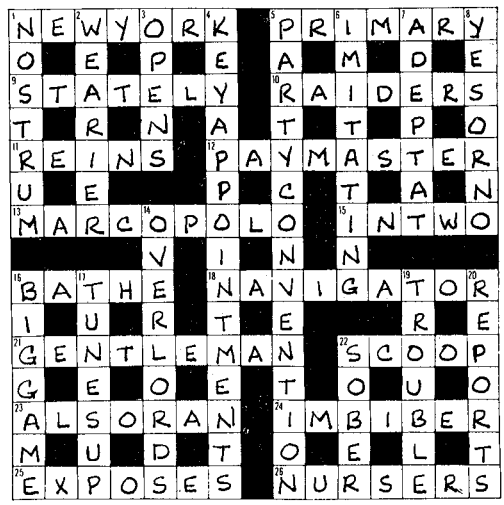
There are only three objections to this proposal which deserve to be taken seriously. The first is that it would require an unparalleled degree of secrecy. Without it currency hoarders might be able to convert their bundles in advance. But currency reform would require no more secrecy than that which accompanied the 1971 dollar devaluation. Even if a few criminals with "inside information" were tipped off, the average tax evader would be taken by surprise. And even without secrecy, the long-run benefits from reducing the number of large bills would be achieved.

The second objection is that these measures would be politically unacceptable to the American people, some of whom might consider them an intolerable invasion of "rights." An analogy might be drawn between this plan and gun control. However, under closer analysis it appears that "cash control" would succeed politically precisely for the reasons that gun control fails. Unlike the distribution of guns, the distribution of large denominations is almost unbelievably concentrated; if anyone doubts this, ask your friends, local storeowners, and bank tellers how often they handle $100 bills.

The Eccentric Farmer

The final objection is that these measures would create serious hardship in individual cases. For example, what about the eccentric old farmer who arrives in town for his once-a-year fling, only to find that the $100 bills he has been saving are worthless because they had been called in six months before? Unluckily he lives alone and doesn't read the newspapers or watch television. What would become of his secret fortune? Well, we can easily imagine a rule which would allow such eccentrics to exchange their bills late upon a showing that they had no reasonable access to notice of the reform and that their wealth was already taxed. But obstinacy alone would not suffice.

This nation spends about $15 billion a year on police, prisons, and courts. We know from bitter experience that there is no simple relation between more dollars and less crime. Most of this $15 billion, by far, is spent on attempts to reduce street crime. Comparatively little attention is paid to white-collar crime, whose economic effects, at least, are far more serious. Currency reform would be a simple, inexpensive way to identify white-collar criminals, and to make their continued operation more difficult. ■



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Battle of the Barons

by John J. Fialka

Reformers who believe that a federal takeover is the solution to the welfare mess will be interested in the following story about the Supplemental Security Income program.

SSI (and get your initials straight as we go along, because there's lots more to come) is the part of Pat Moynihan's Family Assistance Plan (FAP) that made it. Rather than federalize the entire welfare system through a negative income tax, as Moynihan (and others, such as candidate George McGovern) proposed, Congress voted in October 1972 to take over and administer directly only those programs providing extra money to the elderly, blind, and disabled.

The federal takeover was scheduled to begin on January 1, 1974. Giving away billions of dollars a year is not an easy job. Because it had a reputation as the most efficient agency in the government for this sort of thing, with the largest computer system ever devised for peacetime use, the job of writing the checks for the new program was given to the Social Security Administration (in recent years, a division of the Department of Health, Education and Welfare).

John Fialka is a national affairs reporter for The Washington Star.

Social Security, which had expected the assignment and was proud of its reputation, had been preparing since 1971 to undertake this new task. The "can do" spirit was nourished with substantial amounts of overtime, some $60-million worth a year. Training programs and other nonessential activities were curtailed throughout the agency as the SSI crunch approached. According to James B. Cardwell, the commissioner of Social Security, at one point 70 per cent of the agency's 86,600 employees were working on SSI.

Ed Cramer, public affairs officer for Social Security's San Francisco region, remembers standing in the Treasury Department's payment office in San Francisco on December 30, 1973. It was one of those moments that bureaucrats take pride in. The stacks of freshly printed gold checks (to distinguish them from the regular Social Security checks, which are green), were ready to go, arranged by zip codes. He passed his hands idly over the stacks of checks. Then he pulled out a few at random to see what they looked like. He was horrified. Under the new law, the maximum amount of an SSI check was supposed to be $235.

"These checks were for between

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$600 and $800," Cramer later recalled. "We tried to stop the run."

John A. McConnachie, commissioner for the region, decided that would be impossible. There would be hell to pay if those checks didn't go out on time.

Early the following morning, New Year's Eve, McConnachie and a platoon of his office workers arrived at the payment center, determined to do what they could. Because there were millions of dollars' worth of checks stacked in there, Treasury officials were reluctant to let them in. McConnachie had to convince them that he was there to try to save federal money, not to steal it.

There wasn't time to go over all the checks by hand, so the team selected certain zip codes that appeared to have the most flagrant overpayments. By the end of the day, they had plucked out 3,000 checks, most of them sizable overpayments headed for Ventura County.

McConnachie thought he had pretty much cleaned up the problem. But he had barely scratched the surface. According to a team of state auditors who have examined a sample of the 540,693 California SSI cases, 55 per cent of the checks were wrong. A total of $49,652,000 was overspent in California by SSI during the program's first six months of operation.

Six months later the scene was repeated in Vermont. A quarter of a million dollars in overpayments went out to 2,366 recipients. Social Security chased those checks with mailgrams, notifying Vermont recipients that a mistake had been made and the federal government wanted the money back.

In October the people who had received the mailgrams got another batch of inflated checks. Within the SSI system, there was frenzy. The final blow came in November when, somehow, the system selected about 220 Vermonters who had dutifully returned their earlier overpayments and stopped their November checks entirely.

Nine months later, early last August, there was still another variation on the theme. Programmers discovered that a crossed signal had mistakenly told the computer that 15,000 SSI clients had been underpaid for about a year. In the twinkling of an eye, $10,516,000 had gone out in overpayments.

At that time, government had paid out $8 billion in the first year and a half of the new program. Over $400 million of it was *known* to have been paid out by mistake. By 1976, this figure was up to $547 million. Middle-level Social Security bureaucrats believe that when all the returns are in, the government will find that it paid out over $1 billion too much during

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the beginning months of the SSI program.

But only part of the damage caused by SSI's problems can be measured in numbers; the rest is measured in grief. *The Washington Star* has printed dozens of stories about people caught in the grip of this maladministered computer payment system. Social Security, having misspent the money, is bound to try to get back as much as it can. SSI clients, because they are the nation's blind, disabled, and elderly, are, by definition, the least likely to be able to pay it back.

A Case Study

Consider the case of Mrs. Frances Blakeney, 62, a widow who lives in a small cottage in the Watts section of Los Angeles. She has heart trouble and diabetes. She has no outside income and—like many people on SSI—measures her life by the checks that appear in her mailbox once a month.

Her case should not be very complicated. She is entitled to $195 a month in normal Social Security widow's benefits, benefits paid for by the payroll deductions taken from her late husband. This comes in the form of a monthly green check.

She also is entitled to a gold check for $85 a month from SSI because she is disabled and cannot work.

During the spring and summer of 1974, Mrs. Blakeney found herself receiving checks made out to two different names. One was for "Francis C. Blackeney," and one had the proper spelling of her name on it.

The widow says she called her local Social Security office right away and was told not to worry because they were probably retroactive checks that she was entitled to because of her disability claim. A case worker, she said, explained how she could cash them by signing them Francis C. Blackeney and then signing her right name underneath.

There were six or seven of the Blackeney checks; Mrs. Blakeney is not quite sure. She remembers spending them, though.

"I stocked up quite a bit on staples. I must have a lot of sugar-free, low-salt food and that's pretty expensive," she explained. "I bought some clothes, some underclothes, and a new black-and-white television. That's all the recreation I have, you know," she said.

Then the computer caught up with her. Computer-written form letters began arriving in her mailbox in August. The first one said her payment would be cut because "you and your spouse are now living together in your own household."

Now that *was* disturbing, because Mrs. Blakeney's husband died in 1970. She complained to her local office and they apologized for the error.

About a week later another computer letter arrived. This one said, "we made an error," and promised that one of her two monthly SSI checks would stop.

In September, the Blackeney checks stopped, and Mrs. Blakeney thought little about the matter until seven months later, in April 1975, when Social Security summoned her to her local office for an interview and presented her with a bill for $2,099.

The agency, she was told, was preparing to subtract $50 a month from her SSI check for 80 months. That was a considerable blow to the widow who, in good months, may build up as much as $20 in her savings account.

Mrs. Blakeney appealed her case to a Social Security administrative law judge, who admitted he could not figure out from the records just how much the widow had received in overpayments. He decided that it would be "prohibitive" to take $50 a month, so he ruled the agency should deduct $25 a month for the next 80 months.

Fighting Tooth and Nail

At this point the average recipient might have given up, but Mrs. Blake-

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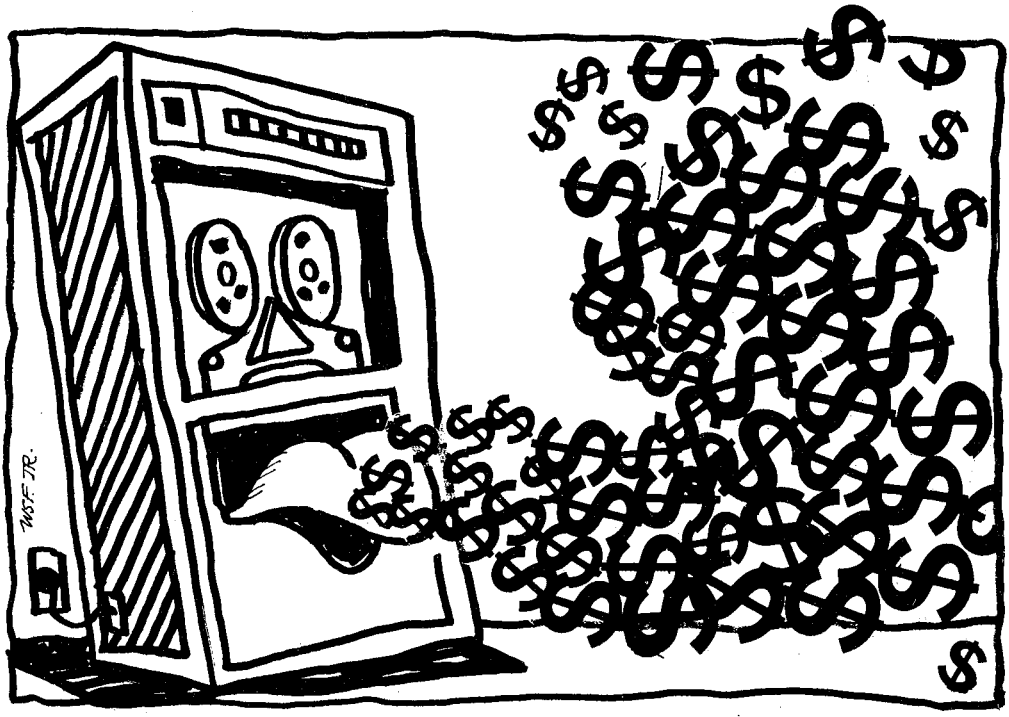

ney was angry. She took her case to the Appeals Council in Washington, which functions as Social Security's administrative version of the Supreme Court.

"No, honey," she told a reporter who inquired about her case. "I'm fighting this thing tooth and nail. I admit I got it [the money], but I don't think it's right that we should pay for somebody else's mistake."

Then there was another shock. On the Saturday before Christmas, while this appeal was pending, Mrs. Blakeney looked in her mailbox and found a check from Social Security for $1,813.90. There was no accompanying explanation.

The following Monday she called her local Social Security office. The case worker wanted to know whether it was a gold check or a green check. It was green, the widow said.

The case worker said that meant it was safe to go ahead and cash it because it was from one of Social Security's regular programs. "They don't make mistakes like they do with SSI," she said.

Then, before Mrs. Blakeney had figured out what the green check meant, a computer letter arrived saying that because she had received such a large check she would be deemed ineligible for SSI.

The agency wanted $251 back for the months of October, November and December. This was $100 more than she had received in SSI funds, because the agency had begun taking out $50 a month in November.

In February, the administrative fog that had gathered around the Blakeney case was finally parted. The Appeals Council ruled that she was without fault in cashing the duplicate checks and added that any recoupment attempt would mean a hardship for the widow. And Social Security finally sent her a letter admitting that the $1,813.90 check was issued because she had been entitled to receive her widow's benefits one year before she had been declared eligible. The money had been owed her since 1973. The agency has promised to restore the money that it deducted from her monthly checks. "I'm so happy I could scream," said Mrs. Blakeney. "Now they owe me money."

Bigger Battle

But there is a much bigger battle

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involving SSI that is just getting underway. The House Ways and Means Committee, the Senate Finance Committee, and the General Accounting Office have all launched investigations to find out why a program that was thought to be the "wave of the future" had turned into an administrative disability case.

The Supplemental Security Income program (SSI) is administered, logically enough, by the Bureau of Supplemental Security Income (BSSI) of the Social Security Administration (SSA) of HEW. In essence, what BSSI had to run was a computer program—80 different computer programs, actually. Part of what went wrong is known around SSA (that's right, Social Security Administration) as "The Battle of the Barons." Each "baron," or chief of an SSA bureau, controls a little chunk of what should have been a relatively simple operation.

BSSI, for example, does not control the agency computer system. The Bureau of Data Processing (BDOP) does.

Determining who is entitled to disability payments is up to the Bureau of Disability Insurance (BDI).

Drafting claims policy regulations is the job of the Bureau of Retirement and Survivors Insurance (BRSI).

Case workers in the 1,200 field offices administering the program work under the Bureau of District Office Operations (BDOO).

Natural Metaphors

The man who runs BSSI is not himself a career "baron." His name is Sumner G. Whittier, a former lieutenant governor of Massachusetts, and he was 64 years old when he arrived at Social Security in 1972 to take over the fledgling program. He is a friend of Elliot Richardson (another former Massachusetts lieutenant governor), then head of HEW.

Whittier, who served in the Navy as a lieutenant during World War II, has a penchant for describing things in nautical terms. He also has a penchant for writing memos. "The orders are full speed ahead, and try to ignore the torpedos," he wrote in a memo issued to his staff shortly after he took command of BSSI. "Uncertainty is natural on a shakedown cruise."

In theory, the barons were supposed to work together in what was known as the "coordinative system" under former Social Security Commissioner Robert M. Ball. But Ball retired in March 1973. For six months the Nixon Administration left the commissioner's slot unfilled. Elliot Richardson followed his wandering political star to the Defense Department, and Whittier found himself awash in a sea full of torpedos.

SSI was launched with not one but three field manuals telling local office staffs how to run the new program. One was drafted by BSSI, another by BDI, and a third by BDOO.

A computer expert retained by Social Security in the winter of 1974, after a year of electronic chaos, found that at least three different bureaus were making changes in the programs without consulting each other and without making records of the changes. One result was that 170,157 cases were found to have been "lost" within the computer's memory banks. Some of them were not located until the summer of 1975, 18 months after the program started.

Whittier's major struggle was with Robert Bynum, the director of field operations (BDOO, you will recall), who insisted that the field force would decide just how SSI should be controlled in the local offices.

"What is BSSI's role?" Whittier asked Bynum in a memo late in 1973. "BSSI has responsibility, but no authority. The actual operation is performed by BDOO in the taking of applications and deciding of eligibility. If BSSI has the responsibility—the responsibility for what? The job description says 'management focus.' I'm in an impossible grind among many strong, tough, experienced forces. My black and blue spots are showing."

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Messiah of the Month

Time and time again Whittier was bested by the other barons who knew the ins and outs of the agency's machinery. In his frustration, Whittier himself launched some of the torpedos that damaged SSI.

Unable to shake up the staffs of the other barons, Whittier continually changed around his own staff. One month he would delegate policy making to one person, the next month that person would be frozen out, and another staffer would be placed at the controls. It happened so often that the chosen one was dubbed "Messiah of the Month" by the rest of the staff. Whittier said he did it to encourage greater efficiency, but his fellow barons disagree. "He was playing office over there," sniffs one of the career bureaucrats.

Whittier's incentive system is the oldest one known to bureaucrats. He rewarded people who told him that SSI's development was coming along nicely. Doubters were not likely to be promoted and, of course, could never expect to become Messiah of the Month.

As the hectic year of 1973 wore on, one of the work products of Whittier's shop was a collection of memos mocking the florid, nautical tone of Whittier's memos.

"As we jet along on course, smoke billowing from our sails," begins one, "we realize that we have finally reached our goal. I am very much reminded of the parallels that exist between our splendid BSSI effort and the exemplary deeds of that great American, Christopher Columbus.

"As you remember, when Captain Chris set sail he did not know exactly where he was going; upon arriving at his goal he did not know where he had been. Fortunately, this was accomplished through federal funding."

We Can Do It

While the bureaucrats played their games, the problems multiplied. These are some fairly typical comments taken from routine field reports in August 1975, 19 months after Ed Cramer first noticed that there might be trouble ahead:

"The instructions for this [how to figure out payment formulas] come in daily and from every known resource within the agency," wrote the manager of Salinas, Kansas, office. "We can't tell what supersedes what! We have SSADRS [computer] messages, Bynum memos, SSIH [disability program] transmittals, parallel DO [district office] instructionals, RO [regional office] instructionals, BSSI circulars, Claims Manual transmittals, etc., all on this same subject."

"It is apparent," wrote the manager of the Fort Lauderdale, Florida, office, "that systems-generated overpayments to the extent of thousands of dollars weekly are occurring continuously. . . .we estimate that at least 95 per cent are waivable under current instructions. . . ." He called SSI a "paper-clogged administrative nightmare."

". . .the 'we can do it' attitude of the DO staff that confronted any organizational or service problem in the past has been replaced by 'we'll do what we can' or 'whatever you say,' " wrote the manager of the Farmington, New Mexico, office.

"As administrators and taxpayers, we find this not only disturbing, but frightening," wrote the manager of the Springfield, Massachusetts, office, after describing how $70,000 worth of overpayments had been waived in three days.

Grandfather Clause

There was yet another "baron" who felt the need to make "input" on SSI during 1973. This was Russell Long, chairman of the Senate Finance Committee. As originally written, SSI contemplated a uniform maximum payment for all recipients, regardless of where they lived or how much they had been getting under the old state or county programs.

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In June 1973, Long learned that the uniform payment scheme meant that, while many would have their welfare payments raised, some would have to take cuts when SSI came into being. Specifically, he was worried about 45,000 voters in his home state of Louisiana who would suffer decreases. The uniform payment system was one of the major bulwarks of SSI. That was what made the program "simple."

Some congressmen spend years trying to pass major changes in social programs. It took Long two weeks.

He worked up a "grandfather clause" that would require Social Security to figure out what a person's welfare check would be under the rules of the 1,149 local welfare programs (many of which have a variety of different payment formulas). If the federal payment was lower than that, the Long amendment forces the state to make a "mandatory supplement" or face a loss in Medicaid funds.

Long tucked it into a bill, "Extending the Renegotiation Act of 1951." It was hardly debated by Congress, but it forced Social Security to replan SSI at a time when the agency had expected to be putting on the finishing touches. Suddenly, the old welfare system had been grafted onto the new system.

Forty of the 80 computer programs governing SSI operations had to be completely rewritten. New information had to be solicited from 48 states, and new contracts had to be negotiated with 31 states which would have to pay the supplement.

The resulting delay meant that some of the computer programs intended for SSI would not be ready when the system began. One of these was the link-up or "interface" between SSI records and records of other government benefits, such as Social Security retirement and survivor's insurance payments and veterans benefits. Knowing that recipients have other government income gives SSI a way to check a client's real needs and reduce his benefits accordingly.

The link-up with regular Social Security benefit records took place 18 months after SSI began. The link-up with records of the Veterans Administration may take place sometime next year. These delays are now believed to be major causes of overpayments.

Can Do

The "can do" attitude was one that SSA director Cardwell had tried hard to preserve—one that he shared himself. As the January 1 deadline approached, Cardwell refused to exercise the option Congress had given him of delaying the start of the program if there were problems. Cardwell felt the option was really a phantom. Powerful people like Long in the Senate and Caspar Weinberger at HEW had parental feelings about SSI. Cardwell felt he could not disappoint them. As he put it later, explaining his decision to go ahead:

"Our political system, the way it operates—I have difficulty conveying this to people—doesn't permit in a period of, say, 30 to 60 days the development of an abrupt change in this kind of policy. We would have had to prove, I think, beyond the shadow of a doubt, that we couldn't make it happen in order to get a consensus within either the executive branch or the Congress that a delay was necessary."

The scenes in Weinberger's office when Cardwell came to report must have resembled those described in Albert Speer's *Inside the Third Reich*: Goering assuring Hitler more and more confidently, as the situation deteriorated, that the troops at Stalingrad would be supplied by air. "I personally guarantee [it]," he said. "You can rely on that."

So the battle of the barons, the interfering politician, and the misplaced "can-do" spirit all conspired to disable this first attempt at a rational national welfare program. ■

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Harry Boyte
"Prospectus for a New Party"
in THE PROGRESSIVE

"Though I desperately want to, I can not find any assurance that humanity has a future — that we will exist ten, twenty, twenty-five years from now. One does not live with that kind of thought day in and day out. One puts it away, shuts it off, and tries to live some kind of normal life. But it is always in the background . . . ."

George Wald
"There Isn't Much Time"
in THE PROGRESSIVE

"We are confronted by a lunatic process which propels itself, like a machine gone mad. The atom bomb of 1945 encourages a win syndrome in which the bomb is to create a *Pax Americana*; the nuclear win syndrome gathers a massive constituency, in finance, business, the Pentagon, science, government, even labor; that constituency is compelled to overwhelm its opponents by concocting a synthetic anti-communism; anti-communism offers the pretext for more armaments and for the 'mad momentum' in technology; technology spreads the illusion of power, and the illusion reinforces the win syndrome, so that the cycle continues on its own . . .

"Every participant is sane, but all collectively are trapped in psychosis."

Sidney Lens
"The Doomsday Strategy"
in THE PROGRESSIVE

"We must first understand that, at present, everything in the American empire is for sale: morality, the public interest, politicians. . . . The travesty is that those who brought us the Indochina war and the arms race, the body counts and the smart bombs, that those who call corporate imperialism economic growth and who starve our society for private profit, have been able to come forward as men of gravitas and decency."

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Thinking Like a Lawyer

A familiar device of legal advocacy is known as "arguing in the alternative." This means that a lawyer's arguments on behalf of his client needn't be consistent with one another, because of the hallowed principle that the advocate's job is advocacy, and not pre-censorship of arguments that the judge or jury might find convincing.

An early example of arguing in the alternative is that of a man accused of borrowing a pot and returning it cracked. His lawyer offered three defenses: 1) He never borrowed the pot; 2) it was cracked when he borrowed it; and 3) he returned it in perfect condition.

Senator Philip Hart recently caught the oil companies playing this game. Before his antitrust subcommittee, and in national advertisements, they have been anxious to insist that they are highly integrated operations, and that any attempt to break them up would lead to inefficiency and higher energy prices. In Wisconsin and South Carolina tax cases, however, the Exxon Corporation has been arguing—for some different reasons—that its principal divisions are essentially self-contained and profit-making on their own. Exxon supplied information in the state tax cases to prove this point—information it had told Hart's subcommittee was unobtainable because records are not kept on a divisional basis.

Debits on the left and credits on the right. No, credits on the left and debits on the right. No wait, it's . . . .

The District of Columbia government, about to topple into bankruptcy, apparently has taken a hint from that old puzzler about whether a tree falling in the forest makes any noise if no one's around who can hear it. The General Accounting Office complained recently that, despite four years of complaints by Congress, the District's bookkeeping system is in such disarray that it cannot be audited; and that until the books are straightened out, there is no way of telling what the city's financial condition really is.

Office Space: One

A perceptive man named Al Ripkis at the Department of Housing and Urban Development has discovered a Malthusian relationship between the growth of the federal bureaucracy and the growth of office space needed to contain it.

His observations, reported in the "Federal Column" of *The Washington Star*, are as follows: The HUD building opened in 1968 with space for 4,279 people—at that time the entire department. In 1976 the headquarters building holds only 3,756 bureaucrats—523 fewer—while HUD pays $500,000 annual rent for office space at five other locations around Washington.

Ripkis' explanation: bureaucrats at different levels take up different amounts of space. Along with the general explosion of government employees has come inflation of titles—more chiefs, relatively fewer Indians. In 1968, for example, there were six HUD employees at the assistant secretary level; today there are twelve. Each assistant secretary is entitled to 2,840 square feet. A GS-5 clerk, by comparison, gets only 60 square feet.

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Tidbits and Outrages

Does Nuclear Power Destroy Brain Cells? We Have No Evidence Whatsoever.

Dr. Edward Teller, one of the inventors of the hydrogen bomb and formerly one of this country's most brilliant nuclear scientists, recently gave a speech to the Philadelphia Society of Los Angeles. Here is a brief excerpt, reprinted from *The Arizona Republic*:

"Now that we all need nuclear reactors, now that nuclear reactors in a safe and clean form have been established, there is a movement in the United States opposed to the deployment of these reactors.

"I have no evidence whatsoever that this movement is directed from Moscow. Nor do I believe that it is directed from Moscow. It is directed by our own fears and by our own stupidity.

"It is led in this country by an American of Arab origin called Ralph Nader. If this initiative passes in California, it is likely that ten years from now we shall import—we shall have to import—an additional six million barrels of oil per day."

Where Is Mussolini When We Need Him?

The government's latest attempt to make the trains run on time is incentive payments to the railroads which actually run the trains for Amtrak, the government-subsidized passenger railroad corporation. The extra payments for on-time performance were instituted in 1974 after complaints that passenger trains were running late because the railroads were giving track preference to their own freight trains. But according to a study by the Interstate Commerce Commission (reported by William Jones in *The Washington Post*), the government standards for "on time" were set lower than the performance which generated the complaints. The railroads, therefore, had no difficulty in "earning" incentive payments of $11.8 million in the first eight months of 1975.

Office Space: Two

From a profile of William J. Welsh, deputy director of the Library of Congress, by Michael Kiernan of *The Washington Star*:

"An organization man, he ran the order unit of the accessioning unit and the order section in the order division before becoming chief of the processing department and associate director of the administrative department.

"Welsh has enjoyed such work—flourished in it in fact—and earlier this year moved into one of those prestigious offices that successful bureaucrats assume toward the end of their careers. It comes complete with a high ceiling, two couches, a coffee table, a large wooden desk and a splendid view of the Capitol."

Welsh feels that criticism of the federal government is misdirected. The real problem, he told Kiernan, is the breakdown of the traditional roles of home, school and church.

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Tidbits and Outrages

It's Ms. Monthly, Buster, and Don't You Forget It

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Mrs. Brooks Brothers, Mrs. Mayflower Hotel, and Mrs. Washington Zoo (no relation) certainly will be disappointed to have missed this new low in "personalized" computer mailing. And better that we should "throw it away," *Newsweek* tells us, than to let it fall into the hands of some Connecticut Avenue neighbor who might not be worthy of a lifetime of *Newsweek*, because the offer was being extended "*only* to a carefully selected audience."

Although brief reference is made to "the Monthly family," the pitch clearly is aimed at the lady of the house, whose poor little mind cringes before the terrors of modern life. The solution: a lifetime of "choice words. . . about a lot of baffling things like. . .the Artichoke War, Mood Rings, the Bee Shortage. . . Radical Pediatricians. . . ."

Baffling? How about this paragraph: "Mrs. Monthly, I'll also wager that you didn't know 30,000 Americans will lose their lives this year—not in combat overseas, not on the nation's highways—but in everyday activities in and around places like Washington."

Even life here on seemingly peaceful Connecticut Avenue is threatened by "Those Household Death Traps."

Newsweek does seem to have hit upon a solution to one genuine terror suffered by *The Washington Monthly* family: the expiring magazine subscription. Dear Mrs. *Newsweek*: Let us know if it works.

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The Bureaucrat's Country Club

by Jay Gourley

At the end of the gentle, winding driveway that zigzags up the steep hill from U. S. 29, the Federal Executive Institute looks like an ersatz southern mansion or a high-priced old-folks home. The building had come into being as the Thomas Jefferson Inn, and its exclusive Southern charm was intended to lure high-paying customers. Distant trucks on the highway and spring robins nesting in the manicured shrubbery are the only sounds drifting across the broad grounds. And the white-pillared building, with its wide porches and lonely rocking chairs, radiates a sense of solitude and serenity.

The Institute is part of the government's commitment to the continuing education of its top officials. This special government-owned "college," near Mr. Jefferson's university, is where the high-level bureaucrats sharpen skills that run the government. The school costs the public more than $3 million a year, counting the salaries of those who attend.

And hardly anyone understands the true benefit derived from this expenditure.

That's why I flew to Charlottesville, Virginia, on this spring morning—to get the story straight from those who know it best, men like Hank Angelino, a GS-15 handpicked from the Army Audit Agency.

Angelino is one of the few GS-15s, only 27 in all, who were honored with participation in the special program, which is usually reserved for the higher "supergrades."

I talked with Angelino because most of his classmates were away from the grounds. The swimming pool had not yet been cleaned and the Institute's appropriations have not been adequate to build tennis courts. Consequently, most of Angelino's fellows were in town playing on local courts.

Jay Gourley is a Washington writer.

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But Angelino is more industrious than many. "I get my exercise first thing in the morning," he smiled. When many of the other students were still out playing tennis, Angelino was already at work reading the morning paper with time to spare before lunch.

Angelino is a friendly fellow who measures in at what looks to be just under six feet. His conscientious exercise has kept him trim and firm. He sports a distinguished mustache with grey streaks—the only hint of his 44 years. In FEI style, Angelino wore a sweater and sport shirt along with a pair of casual slacks.

X-Management Techniques

As I introduced myself, Angelino smiled, shook my hand, took his FEI nametag from his pants pocket and pinned it on his sweater.

"We study things like, say, the behavioral approach to management," he explained graciously as we got down to business. "For instance we study men like Likert, that's L-I-K-E-R-T, who says a middle-level manager should act as a link between the people he supervises and top management."

Spurred by my interest in the "link theory," Angelino continued. "We also study things like x-y management. The x-management is based on the idea that people work only for money and must be forced to do their jobs. The y-theory is that people want to work."

These more sophisticated theories of management may seem complex, but they have their practical applications. For instance, "If you are evacuating the office in a fire, you would use x-management techniques," Angelino explained, to illustrate a use for the hardline approach. "But you would use y-management if you were supervising a bunch of scientists working on an atomic bomb."

Angelino has 22 years government experience, so he's near the top of the government pay scale, making $36,500.

When I asked about why there were so few students on the grounds Hank explained that today was an exception to the rule. "Usually we have a volleyball game going," he said, gesturing to the empty volleyball court a few yards away.

A typical day at the Institute starts early, at about seven or eight, when breakfast is served. "After breakfast we might have a seminar or discussion," Hank said.

"We usually have lunch at noon. After lunch there's reading, discussions, athletics or whatever you want to do. Usually in the afternoon we have a lecture, then our social period. After the social period comes dinner, and then we have another discussion group until about nine. Then we socialize, play cards, shoot pool or go to a movie or whatever," Hank explained.

On this particular day Angelino's class had a lecture at 4 p. m. Labor economist Seymour Wolfbein spoke on various demographic trends. Several students asked questions afterwards, but most rushed to get in line at the "social hour." Behind the small bar, some students opened the Institute's whiskey bottles and tapped the tubs of canned beer while their fellow students at the supergrade school pushed up close to get their share of the refreshments.

"Our time is pretty evenly divided between recreation, athletics, and discussions. Some of us play horseshoes. Some play golf. When it's colder some go up to the Blue Ridge to ski." But then Angelino frowned. "It's hard to go skiing though. If you take your lunch with you, you can get about three hours in." Since Hank is not a skier, the hectic pace doesn't bother him.

"One of the advantages of FEI is that you get to know a lot of people very, very well," says Angelino. The camaraderie is evidenced by the Federal Executive Institute jewelry sales. Fully accredited students can buy a Federal Executive Institute tie

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bar for $3, a deck of Federal Executive Institute playing cards, or a Federal Executive Institute paperweight for the office back in Washington. All are emblazened with the official Federal Executive Institute crest.

Explaining Systems Analysis

To help sharpen the executive's skills, the Institute employs some of the most modern teaching techniques. One that pleased Angelino most was the "instant replay camera with soundtracks so that you can act out a part and then see how you looked." Hank smiled at this triumph of modern technology.

"One person had to fire a subordinate. Another had to discuss a pay raise that a subordinate wanted. One of us would pretend to be the subordinate and one would pretend to be the manager," Hank said.

Before visiting the Institute, I talked with FEI director Chester A. Newland over the phone about the little-understood point of the FEI.

"Program evaluation, program objective or systems analysis," were some examples he offered.

I failed to understand at first how really important these terms are, and my ignorance offended Newland.

"I can't imagine anyone getting through elementary school and not knowing what systems analysis is," he said impatiently.

But later, when I showed up at the Institute, Newland was almost happy to see me. He confided that many reporters call and bother him with questions, but few had ever taken the time and trouble to come and see for themselves the good that the Institute does.

Then Newland gave me the brochures that had been prepared to explain the purpose of the Institute to those who had not yet benefited from its exhaustive training.

According to the literature:

"The basic goals of FEI are to augment the ability of the upper civil service in order to insure high-level competence, responsiveness, and continuity among those near the top of government; to insure that executives in the Federal service are identified with the government as a whole in the pursuit of national goals, objectives and priorities; and to develop individual executive knowledge and skill in processes for accomplishment of desired results.

"In short, the learning process is very largely one of setting individual objectives, planning for their accomplishment, implementing individual learning programs, monitoring progress toward objectives, evaluating results, and formulating new or revised objectives. The aim of the Institute is to provide an open learning environment which facilitates that individual process of executive development."

I read these passages over and over again. Then, suddenly, I understood it all. ■

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The Robot Air Force

by Paul Dickson

Like a golfer selecting a club from his bag, the military pilot of the 1980s will be able to select the plane best suited for the martial drive, chip shot, or putt he is about to make. If all goes according to plan, his specific choices will include:

—A small but lethal "Kamikaze" to be used as an explosive ram against the enemy plane, ship, munitions depot, or other target of his choice. A one-way, hence cheap, instrument which may be electrically powered.

—A sleek, lightweight model employing a TV camera to locate a target and a laser designator to mark and illuminate it. Moments after the laser has spotted the target, a missile or bomb is dispatched to home in on its beam and destroy the target.

—A truly tiny plane, not any bigger than the kind that model airplane enthusiasts use, which is electronically configured so that it is able to portray itself on a radar screen as a transport, bomber, or fighter. This little item comes in handy as a decoy used to flush out enemy fighters and surface-to-air missiles.

—A plane that is virtually invisible to radar, infrared detection, and, until the last moment, the naked eye. Because it is also silent it comes in very useful if surprise or secrecy is desired.

As a class these planes are known as remotely piloted vehicles, or more commonly RPVs, and those just described are now in various stages of development. As promised in their name, the one thing they all have in common is that the pilot in charge is not in the plane but is running it by proxy from a ground station or mother ship operating in a safe zone. By means of small, lightweight TV cameras and other sensors carried by the RPVs, the pilot is able to experience the thrill of combat and the

Paul Dickson is author of The Electronic Battlefield, *to be published this month by Indiana University Press, from which this article is adapted.*

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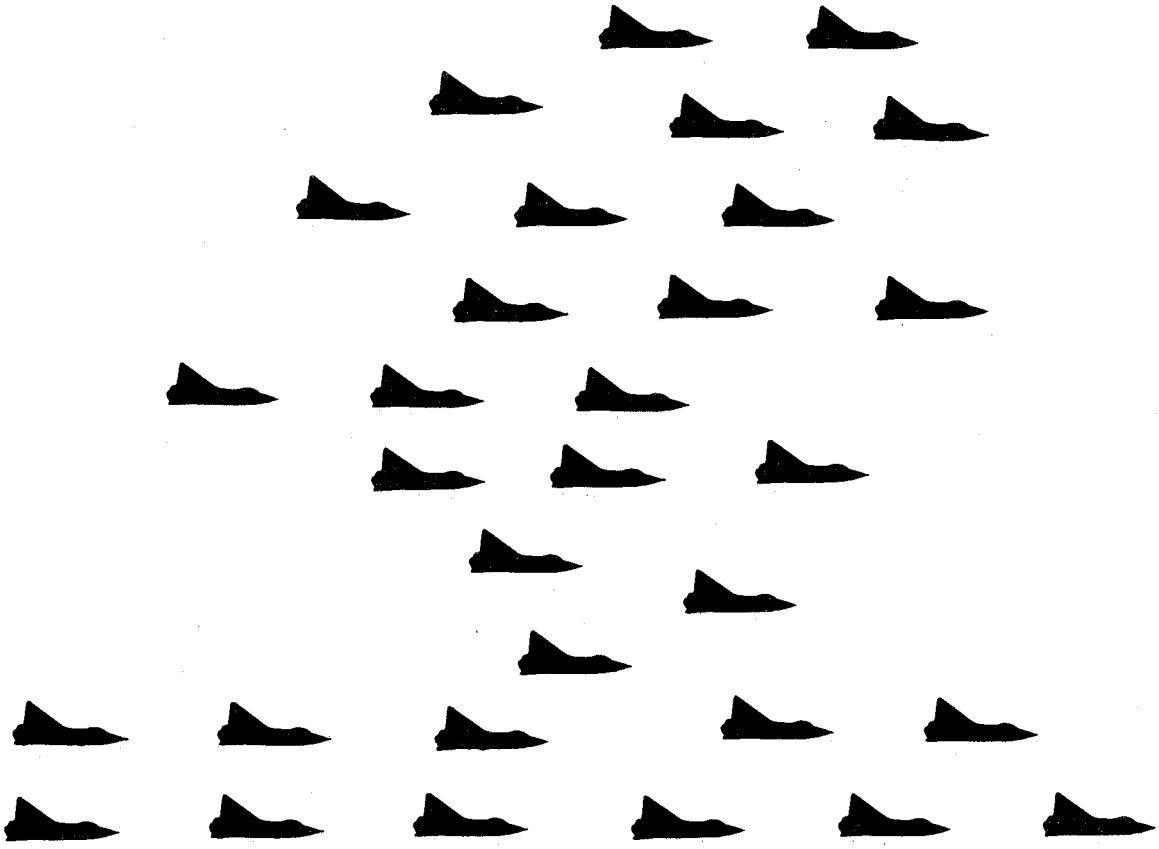

sense of danger without the threat of death, injury, or imprisonment as a POW. It is the U-2 without the "you" in it, the sport of the dogfight without its nasty, charred human remains—at least for the side with the RPVs—and the all-out thrill of a screaming Kamikaze strike without even getting your hair mussed.

For those who might find controlling *just one* of these planes too tame, work is now under way that will allow one human to fly a brace of up to 20 of them at one time. Moreover, the pilot of the future will not even need to leave home to wage a foreign war. "With foreign technology being what it is," says George Weiss of Boeing's Washington office, "there should be no reason why a man won't be able to sit in the basement of the Pentagon and engage in combat in Europe or Asia through a satellite link." In all, an odd prospect: air combat conducted by men and women who commute to their stationary cockpits for eight-hour stints from their homes in Arlington and Alexandria, Virginia.

And while the term RPV has yet to enter the realm of household word for civilian America, it can be said without hesitation that these three letters represent the hottest, most talked about new idea to come to the forefront of the military consciousness in the mid-1970s. Whatever the RPV concept lacks in terms of dollars now pumped into it—about $150 million per year and rising as of 1975—is made up for in enthusiasm. A recent Army statement said it may lead to "...what may prove to be one of the Army's greatest assets." Air Force Secretary John McLucas, that service's prime spokesman for the RPV, predicted that it would become "a significant force" in the future Air Force inventory. On March 1, 1975, the Air Force created a RPV "Super" System Program Office at Wright-Patterson Air Force Base, which is their way of saying they are very, very serious about the idea. *Air Force* magazine said the RPV "... may be the closest thing to a panacea the aerospace age has yet created," while *Seapower* magazine predicted that unmanned planes could "... revolutionize naval air power as dramatically as nuclear

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power has already revolutionized the surface and subsurface Navy." Meanwhile, a special organization, the National Association for RPVs, was recently formed to boost the idea and the product. It should not have a difficult time finding members, as more than a dozen major aerospace companies have hung out their RPV shingles to help attract a piece of the billion-dollar-a-year market envisioned by 1980.

The Droning Firebees

The RPV has an interesting lineage, stemming most directly from the target drone, the robot vehicle used routinely over the last 25 years to test and train combat pilots, missilemen, and antiaircraft gunners. The important difference between the RPV and its more simple-minded first cousin, the drone, is that the latter is a pre-programmed automaton given commands in advance of flight, while the RPV is subject to human control during flight. The difference is much the same as that which exists between a paper airplane, programmed after a fashion by the arm that throws it, and a kite that is under human control through its string, which is akin to the electronic control the person on the ground has over the RPV.

A special Pilotless Aircraft Branch of the Air Force came into being in late 1946 to develop three types of drones for use as training targets. Of the three, the jet Q-2 was the most ambitious, and also the most important, in that it became the father of a class of drones built by the Ryan Aeronautical Company (now Teledyne-Ryan), which has given that company undisputed leadership in the field. The Q-2 developed into more than 20 distinct models, each with its own name and number given by the service that commissioned them. Ryan has been calling all of them its Firebees.

Since Ryan got its first contract, more than 4,000 Firebees have been sold to the three services and the drones have performed many impressive and diverse tasks. They have flown at levels from 50 to 60,000 feet, moved at speeds from 200 to 500 knots, and stayed aloft for periods of up to two hours at a clip. Virtually every antiaircraft system the nation has developed has had to prove its worth by downing a batch of elusive Firebees (or targets towed by Firebees). Devices have been created to make the small Firebee show up on radar as a bomber, and modifications have been made in some that have enabled them to make the dives and turns that real pilots "fighting" them can make. A special Firebee II has been created for the Navy that is capable of speeds in excess of 1,000 miles per hour.

Nimble Dogfighters

By 1970 enough key people in the military establishment were beginning to think that the drone had more potential as a sophisticated moving target, especially since the technology was available that would allow it to be piloted from the ground. This caused the Air Force and its favorite think tank, the Rand Corporation, to sit down for a symposium on the future possibilities of remotely piloted vehicles. After that meeting and some follow-up studies, a consensus emerged among the military planners: there was, indeed, considerable promise in the RPV for a variety of military applications, which had been made possible through a decade of rapid advances in electronic technology.

While Rand helped pave the way for the dawning of the age of the RPV, the truly dramatic turn in the way the military regards robot planes has come about through a quick succession of events, realizations, and demonstrations. First and most telling are the remarkable feats that the unmanned machines have performed, to the humiliation of manned systems. The most dramatic to come to light was an aerial "dogfight" staged in early 1971 over the Pacific Test

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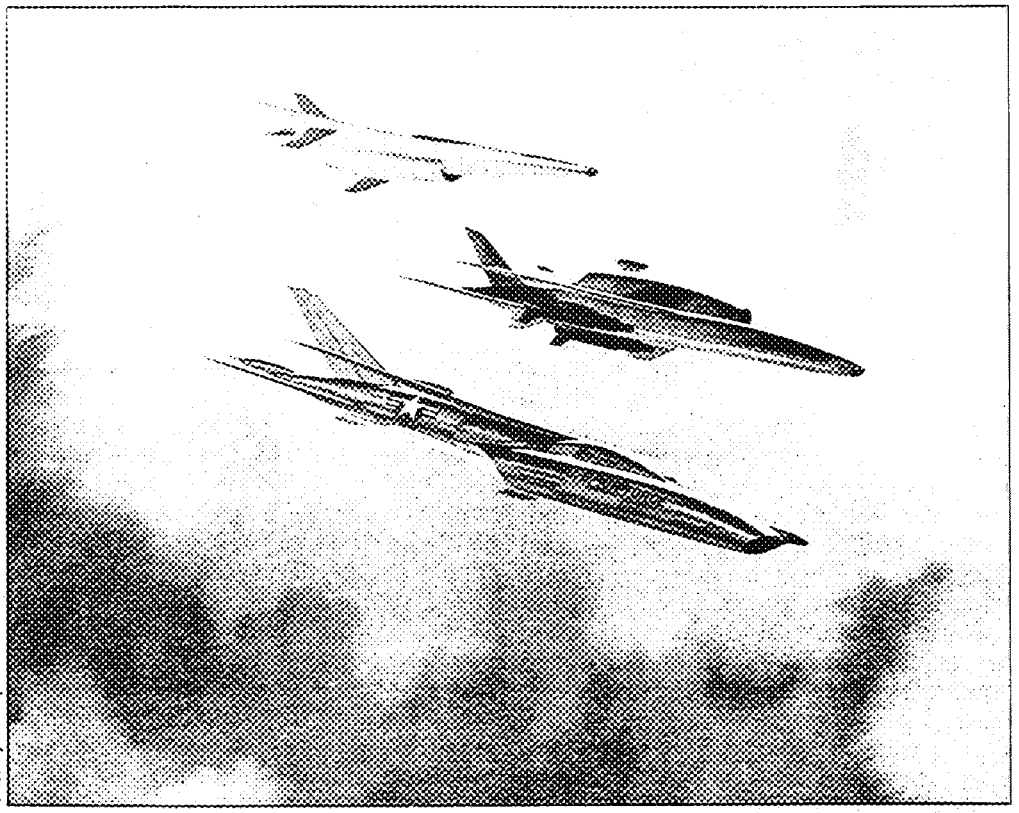

Teledyne Ryan

Range, which pitted a manned Navy F-4 Phantom against a Ryan Firebee outfitted with a remote flight control system, making it a true RPV. The unmanned fighter maneuvered by a man on the ground not only averted two air-to-missile assaults, but scored several simulated "hits" on the F-4, which, incidently, is the nation's finest fighter plane. The Firebee executed turns so radical—and impossible for the F-4 and even the forthcoming highly touted F-15—that it was able to reverse direction in only 20 seconds, a fraction of the time taken by a manned plane because a man can only take so much gravitational pressure. Nor was that the only experiment in which the formerly hunted became a successful hunter. In 1972 a supersonic Firebee II penetrated the missile defenses of the Navy destroyer *Wainwright* and scored a simulated, direct hit.

Second, while the impact of these simulated victories was absorbed by the Pentagon, a pair of realizations regarding men and planes became painfully evident. Human pilots all of a sudden began to look very vulnerable. About 90 per cent of the American POWs in Southeast Asia were downed pilots and airmen, and a total of 5,000 Americans died in hostile and nonhostile aircraft incidents in the war, in which there was hardly major opposition from the North Vietnamese Air Force. The lesson was taught elsewhere too. Israel watched many of its best aviators fall to Arab missiles and guns in the early days of the fourth Arab-Israeli conflict. Many of these losses came in what amounted to situations in which the Israeli pilots were testing Arab air defenses, a job that should have been done by unmanned decoys.

That manned aircraft are highly vulnerable is not a discovery—the United States lost 40,000 aircraft and twice as many pilots and crewmen during World War II—but the results of conflict in Southeast Asia and the Middle East still came as a shock.

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Those who believed that the latest high-performance aircraft would beat the odds were wrong. What is more, the future appeared even bleaker. As Rand's William B. Graham wrote in *Astronautics and Aeronautics*, "Anti-aircraft defenses will get tougher and tougher as far into the future as anyone can foresee."

Just as it became obvious that the RPV could reduce human waste, it also became obvious that it could reduce fiscal waste. Spiraling defense costs and the runaway inflation of the early 1970s brought the financial picture into sharp focus. A recent study for the Air Force, again by Rand, determined that the costs of manned aircraft are going up at such a rate that if the Air Force's budget were to remain constant in the face of rising costs, they could afford only a dozen planes by the year 2000 and only one in 2020.

Because it does not have to support a human crew the RPV cannot only be smaller, but can leave out all those expensive elements needed to keep men alive—oxygen systems, ejector seats, heavy armor plate, fire detection systems, communications gear, and much more. Without men to support, all sorts of economies are possible, including the use of such materials as fiberglass, plastic foam, fabric, and even cardboard. As many have pointed out quite seriously, once you get humans out of the plane you can start borrowing ideas from the realm of the model aircraft hobbyist. For these reasons, the generally accepted rule-of-thumb is that the cost of an RPV versus a manned craft with the same function works out to be 20 to 30 times cheaper. This ratio, which is for reusable RPVs, becomes hundreds of times cheaper when you talk about bare bones—one-way RPVs for highly dangerous or suicidal missions.

While the dollars and cents economies of the planes themselves are tremendous, there are also more savings promised in terms of support costs, pilot costs, and, because they are harder to hit, planes lost in combat. Today the military states that it costs about $500,000 to train a pilot to the point that he is ready to fight. The figure is an interesting one because the military now estimates that $500,000 will be the top price for the most sophisticated RPV of the 1980s, while simpler models will cost as little as $15,000.

Defense Toys

As the human and dollar advantages of the RPV loom larger and larger in the minds of post-Vietnam era military planners, a less obvious but just as appealing point for the RPV has come to light. The RPV promises to allow the military to do what it has been unable to do for at least a decade: mount a highly visible weapons development effort that will impress the Congress and the public alike because it is replacing something expensive with something *truly inexpensive.* The novelty of a cheap system has occasioned several widely circulated and intentionally tongue-in-cheek remarks. One has it that the only way for existing aerospace companies to do anything cheap will be to set up a special plant away from the head office staffed with engineers with no experience working on military hardware. Another is that the RPV work will have to be taken away from the aerospace industry and given to one that has the needed imagination and skill to keep costs under control: namely, the toy industry.

(This similarity to the toy becomes frightening instead of amusing when one realizes how much more tempting robot war will be because the pilots will not have to witness the damage they are doing—the towns they are blowing up or incinerating—nor will they have to contemplate the even more unpleasant possiblity that they themselves might be blown up or incinerated.)

RPVs have proven themselves in real combat situations—something that has attracted scant attention outside military circles. Air Force sources

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casually admit that they were used as early as 1962 for reconnaissance over Cuba, and a year later Ryan 147 drones were pressed into service for low-level spy missions over North Vietnam, Laos, and the People's Republic of China. Launched by C-130 "mother" ships, these sleek, black, unmarked craft were first brought out of the shadows when the Chinese claimed to have brought one down on November 15, 1964. The United States refused to admit to this or later allegations by the Chinese about American robots in their skies. In early 1965, when the Chinese were saying that they had bagged a total of eight, three moderately damaged examples were put on public view at the Chinese People's Revolutionary Museum in Peking and pictures released of the display. Even so, the "no comments" from the State Department, CIA, and Pentagon continued for some time, but nobody looking at the evidence could seriously doubt that the U. S. had given the lion's share of its close-in surveillance work in Asia to the Ryan drones.

Radar Befoulers

With the Air Force now admitting that some 3,000 unmanned missions were flown during America's period of active involvement in Southeast Asia, the record of the robot spies is coming out and it is dramatic. The attrition rate for the planes was less than four per cent (including one shot down by a Navy interceptor, which had mistaken it for a hostile MIG-21). They were routinely recovered in mid-air as helicopters snagged them by the parachutes they spewed out at mission's end. About 85 per cent of the photos taken to assess bomb damage during the period were brought home by these automated craft. Often unknown to both those who looked at them and those that published them, many of the aerial views of North Vietnam that appeared in the American press were taken by the drones.

Needless to say, not one American life was lost nor were there any Francis Gary Powers types to bring to trial, fuss over, and parade about for propaganda reasons. Firebees were also assuming the jobs of waterborne electronic intelligence gathering vessels. One only has to recall the *Liberty* and *Pueblo* disasters to see that this was a highly important development. In terms of actual performance, in at least one case the Ryan sea craft was able to bring home photos of an area in North Vietnam that two unmanned planes had been unable to get.

Meanwhile, there were other Vietnam-era applications. One group, which was quickly dubbed "The Bullshit Bombers," was used to dispense American propaganda leaflets around Hanoi and other population centers. One specific example occurred on Christmas Day 1969 when leaflets containing President Nixon's picture and a plea for peace were dropped. Others were used as electronic listening devices, and automated QU-22B Beech aircraft were used to pick up and relay sensor signals broadcast from the Ho Chi Minh Trail during Operation Igloo White. Still another application, as a dispenser for radar-befowling chaff, was developed, but such use was severely limited because there were not enough C-130 mother ships to go around.

The RPV has also had its combat debut in the Middle East. Learning a lesson from earlier losses, during the Yom Kippur War the Israelis used a number of Northrop Chukar drones as decoys on which to get the Arabs to expend surface-to-air missiles as manned planes slipped in behind them. It is also no secret that the Israelis have used and continue to use Ryan-built craft for photo reconnaissance missions and have been quite pleased with them. Furthermore, there is little question that the Israelis have the ability to build their own model RPV and some have speculated that they are now developing one of their own. In short, there are compelling reasons for the military's interest in RPVs. ■

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The Ignorant Press

by Charles Peters

At the League of Women Voters' Presidential Forum in Boston on February 23 of this year, Jimmy Carter said that he favored elimination of the income tax deduction for interest payments on home mortgages.

For political reporters, this was a story. But what kind of story? The answer provides an answer to another question, one we have heard repeatedly throughout the spring primary season: why is it that serious political issues play such a minor part in political campaigns?

Income tax reform is not a subject on which little has been written or said. But as far as political reporters are concerned, Carter might equally have spoken out against too much tabasco sauce in bloody marys, or in favor of the serial comma (as in *a, b, and c*). The reporters' response was automatic: get a reaction quote from the other candidates, then assess the effect on the campaign.

The reaction of the other candidates was automatic: what a terrible idea!

Robert L. Turner of the Boston *Globe*, for example, wrote two stories on the statement, each of which contained a denunciation of the proposal by Carter's opponents. In one story, Jackson called the elimination "ridiculous." Bayh said, "We don't need a Democrat running around the country peddling Republican principles," and Morris Udall said, "I think Jimmy's wrong. I think he'll have a taxpayers' rebellion on his hands. I can't believe he really means it." In the other story, Milton Shapp—the candidate who stressed his low-key administrative competence and good sense—was quoted as saying, "I think it's astounding. It would be disastrous for the housing industry and would raise mortgage payments 30 to 40 per cent for many people."

All of these quotes came before an explanation, in the ninth paragraph of one article, and in the eleventh paragraph of the other, that Carter favored eliminating the mortgage interest tax deduction only as part of an overall tax reform that would reduce taxes for low- and middle-income taxpayers.

Turner's treatment of the story was followed by other political reporters, who, if they analyzed the suggestion at all, did so in terms of its significance not as tax reform but as a tactical mistake, possibly as serious as Muskie's tearful scene amidst the snows of New Hampshire four years

Charles Peters is editor-in-chief of The Washington Monthly.

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ago.

The poor newspaper reader trying to decide whether he wants Jimmy Carter as his president gets very little help from this kind of analysis. At best, he is forced to reason backwards to some sort of conclusion about the candidate's "leadership ability." If Carter cannot run his campaign properly, how can he run the country properly?

The reason that substantive issues tend to be subsumed into the general discussion of "the conduct of the campaign" is that this is all political reporters know about. The problem is that political reporters cover politics;

they do not cover government. They know much about the process of being elected, and little about what the government does or how it could be improved.

During the periods between election campaigns, they are like fish out of water. Instead of boning up on the issues, by finding out what some government agency is actually doing or by covering the critically important congressional budget committees, the reporters continue their mad telephone dialing of state party chairmen and political consultants; sounding out; speculating; egging the politicians on in print; working toward the day (which they have virtually achieved) when that uncomfortable period between campaigns—as uncomfortable as an aging actress's time between husbands—will have ceased to exist. During the campaign itself, of course, they spend most of their time traveling in packs and covering staged events, with their analytical skills focused on polls and campaign strategy.

In this context, raising serious issues is like talking to the wind. The other candidates, who have the staffs to prepare intelligent, substantive replies, have no incentive to do so, because the reporters are just as incapable of evaluating the merits of the reply as they are of the proposal.

In 1972 George McGovern's $1,000 "demogrant" proposal was reported by men who seemed staggeringly ignorant that it was actually another version of Pat Moynihan's Family Assistance Program, which had been passed by the House of Representatives during the preceding year. The staff work on McGovern's proposal was sloppy, and the press was justified in criticizing it—but not in letting Hubert Humphrey get away with painting as radical a program that had been sponsored by such leftists as Richard Nixon and Wilbur Mills. The resulting association of the guaranteed annual income with losing radicalism probably postponed the enactment of

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this reform for a decade at least. All because political reporters understand the process of politics but not the substance of government.

There have been many references in reports of the campaign to the Humphrey-Hawkins bill. Morris Udall has, for example, been quoted as saying, "If you are for the Humphrey-Hawkins bill, you are for the cities. If you are not, you're against the cities." But none of the reports have analyzed the substance of the bill or discussed how it compares with past efforts or other proposals to stimulate employment.

Carter's tendency to avoid being specific about the issues is encouraged by the ineptitude of the press in drawing him out. Even when he is specific, as in the mortgage interest matter, the reporters don't know how to explore the significance of the stand. In the case of the mortgage proposal, if the political reporters

covering it had been knowledgeable enough about tax reform to deal with it as a substantive issue, as opposed to a campaign tactic, there are three points they could have made. The first was made, finally, in an article about Carter by James P. Gannon in *The Wall Street Journal* of April 2, six weeks after Carter made his statement in Boston: "Mr. Carter argues, correctly, that such homeowner deductions benefit affluent taxpayers more than the poor." The benefits of the mortgage interest deduction may not be as narrowly based as those of the oil depletion allowance, but its net effect on income distribution is *negative*.

The second point is more important. If logrolling is a fine American political art, the Internal Revenue Code is the biggest logjam we have. If we're going to have real tax reform, each of us has to give up his own dirty little secret—the Texas oil man, the capital gains millionaire, *and* the average man with his home mortgage interest deduction.

The third point is that Carter's suggestion revealed that he was contemplating a much more thorough reform of the tax structure than his supposedly more liberal opponents, who not only didn't have the courage to take on the mortgage issue, but actually attacked Carter for bringing it up. Birch Bayh and spokesmen for Shriver and Harris had all joined in the attack on Carter's proposal. They got away with it because of the ignorance of the political reporters.

A candidate is at the reporters' mercy to get his message across. The task is hopeless if they can't even understand it. ■

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The Winning

by John Evan Bremner

Presidential politics is not a particularly rational process. If it were, Jimmy Carter would certainly become the nominee of the Democratic party. He is the only man who can possibly beat President Ford.

The Democrats, with the exception of Carter or possibly Jerry Brown, are preparing to run on precisely the wrong issues. They are talking about jobs and big business.

The public is no longer concerned primarily with jobs. Big business, while it enjoys general enmity, is very much of a marginal issue. The country really is worrying about two things: money and trust.

Trust can be anyone's issue, but money cannot. Money is another word for inflation and taxes, and the big government which, rightly or wrongly, is supposed to be responsible for them. It is a very Republican issue and has been for over 40 years.

In a race for the presidency, confidence in a man who will not increase taxes, prices, or the size of government is going to produce a winner. Anyone who can inspire this confidence can have the election. But if he is a Democrat, he must first shake the reputation of his party for doing precisely the opposite of what the public now wants on these issues.

The Great Society is a very heavy stone around Democratic necks. In the public mind, it has come to mean social programs and big government, both of which are no longer popular. To be sure, those who directly depend on such programs have long feared the Republicans will take them away, and want protection from their natural Democratic allies. But the visible social programs of the 1960s were for poor people, and most Americans did not perceive themselves as direct recipients.

John Bremner is a senior economic analyst for the Government Research Corporation which publishes The National Journal.

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Candidate

More important, most Americans believe these programs have failed. They don't object simply because the Great Society's programs were aimed at the poor and not at the Great Middle Class. They object because the money was coming out of their pockets and going—nowhere.

That has been the general conclusion about the 1960s. Anyone who promises a return to it, with however many qualifications about how it is to be done differently, is going to scare people away.

We are thus settling in for a battle of reputations, not a battle of records. The Democratic record is eight years in the past and has become a reputation. The Republican record, while immediate, is imperfectly understood, just as the Great Society did not develop real public enmity until after a grace period of four or five years. It generally requires that kind of time for people to make up their minds about what is happening to them.

It takes that long for the simple reason that people do not follow national affairs very consistently or carefully; they follow their own lives much more so. The individual needs time to relate what the government is doing to the fortunes of his or her own life, and often the correct relation is not perceived. The prejudice of the moment is projected onto the best rhetorical target available—frequently something that happened in the past and which is therefore now known, rather than what is going on in the immediate present and which has not yet been fully absorbed.

The Republican record of higher inflation, taxes, and deficits is today attributed to a pattern of behavior which the Democrats are held to have invented in the 1930s and expanded in the 1960s. Sometime in the early 1980s, when the government is manifestly failing to meet the problems of coordination suggested by today's energy and environmental controversies, the Republicans of the early 1970s, who have not succeeded in dealing with these problems, may gain a reputation for mismanagement. This will happen no matter who is in power at the time.

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The public is concerned with money and is quite certainly becoming much less concerned about jobs. The unemployment rate is falling; more important, the rate for heads of households—those who actually vote—is now five per cent. Job losses have stopped and the economy is improving. Fear of joining the jobless—which is the real political danger associated with unemployment—is over. Only a few high-unemployment states like Massachusetts, in which unemployment not only is above the national average but has lasted for a longer period of time, are likely to vote on jobs. For the rest, the public opinion samples will serve: the issues are decline in real personal income over the last several years; taxes; government services which don't work and are expensive; and, above all, trust in government.

If the Democrats could shake their reputation on money, or if the Republican record could be exposed in such a way as to detach it in the people's minds from the Republican reputation for fiscal sobriety, the election might be easy for the Democrats. But to accomplish this in a mass society, where the public barely listens to what is being said, is probably beyond the scope of the modern political process. The Democrats simply are going to have to produce a better variation of trust and responsibility and ignore the past—both their own and the Republicans.

Enter Jimmy Carter

Jimmy Carter is the only man who can do this. Indeed, he seems to be the only man who is really interested in trying, if you don't count Jerry Brown.

Brown does intend to campaign on trust and the anti-Washington themes Carter has so far relied upon. But it should be much more difficult for him. His age and apparently naked ambition in running for President after only 14 months as governor of California are hardly an asset. His intense, Jesuitical style hardly fit the simple, open honesty which is held to characterize trust in America. His effort may prove interesting, but it is not likely to be compelling. The worst damage he can do Carter is to act as a power broker at the convention in favor of some other candidate.

Hubert Humphrey and Henry Jackson are going in the opposite direction. They are being quite specific and about the wrong issues. Humphrey has openly admitted that he plans to make unemployment—and his full employment bill in the Senate—the centerpiece of any presidential race he might run. Jackson talks of appealing to the lunch-pail voters of the old New Deal coalition, again promising to produce more jobs. These attitudes, associated as they are for the majority of working Americans with the Democratic reputation for more government and spending, are likely to turn off most uncommitted voters in the center. Morris Udall, while promising the same jobs policy, is emphasizing other issues less closely identified with the Democrats' fatal reputation on big government and spending. But his call to limit economic growth for the sake of the environment and the quality of life is not particularly attractive to anyone but his own left-liberal constituency. Udall seems to lose both ways—he won't leave the jobs issue alone, and his differences from the main stream of the party don't do him any good. Indeed, they may do him decisive harm; labor and most other Americans are irrevocably committed to economic growth regardless of the consequences.

Carter has come out guardedly in favor of the federal guaranteed jobs program, now calling it acceptable because its revised form places greater emphasis on developing jobs in the private sector. He has coupled this with a reminder that he had previously not supported the jobs program because it would be too expensive—thus reminding the voters that he is the anti-big spending candidate.

To a hardened party politician

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seeking to link up a number of well-organized constituencies to unify his party, this may seem nonsense. But in fact it works very well. Franklin Roosevelt was purposefully vague in 1932, both before and after the convention, about just what he proposed to do to end the Depression. He relied instead on inspiring confidence, and on his party's reputation for compassion in a time of national suffering. John Kennedy, the next Democrat to come up from the ranks to the White House, was no more specific. He capitalized on the nation's fear of stagnation both at home and abroad, and offered to get the country moving.

It is important to emphasize that an apparent straddling of an issue does not necessarily involve an intellectual or moral sellout. Carter on abortion sees what's right about both sides, that what is morally dubious should nevertheless be a constitutional right. Thus he wins support from both sides but not at the expense of his soul.

The vagueness principle also works of course if you're willing to sell your soul, as was the case with Richard Nixon in 1968.

Wrong Issues Softly

In short, politicians who talk too much about specific issues when appealing to 60 million voters get into trouble, particularly if they are the wrong ones. Carter has made neither mistake. He offers little that is concrete; and at his most specific, he does not speak about the wrong issue very loudly—more jobs (and more spending).

This is causing him much trouble in the pre-convention process, as it did Roosevelt, Kennedy, and Nixon. But once the candidate has been picked, the lack of a specific program has caused a lot fewer problems. The party is then committed to putting the candidate in and overlooking the fault of vagueness; glad, instead, to carry the least amount of ideological baggage. This is what Carter offers, if he can make it as far as the nomination. And as more and more Democratic voters and power brokers realize this, Carter's chance of getting that nomination increases. So Carter is smart to leave money issues to the Republicans (and to the other Democratic candidates, so they can cut their own throats) and to run on trust.

Image support, however, is by its very nature soft. Any major mistake—or loss of a crucial primary—can destroy it. "Ethnic purity" could have been *the* mistake. Also, Carter could lose the trust issue because of his tendency to become defensive and angry when criticized. When Hubert Humphrey made an unflattering, veiled reference to those who are running against Washington and oppose big government, Carter lashed back, calling Humphrey an "old man." Naturally this was not pleasing to Leonard Woodcock, who is about the same age as Humphrey and had been thinking kindly of Carter; nor to George Meany. Nor to millions of other elderly voters. And any loss of cool in a man who might press the nuclear button is troubling.

More important, for the general voter, such slips may shatter Carter's claim to be the candidate of humanity and Christian love—which is the entire basis of his campaign. The voters are not fools. Recent history has greatly lessened their tolerance for machismo in the White House.

But barring these possible mistakes, Carter is ideally positioned to gain the Democratic nomination—and possibly the election. Anyone who can survive the tortuous primary process to become the nominee probably has the strength to win the election.

President Ford has the advantage of incumbency, but his reputation with the voters is so fluid as to make that an uncertain advantage, considering the public's present mood. If he runs against Jimmy Carter, he is up against a political phenomenon of a very considerable order. If Carter has a little of Jack Kennedy's luck, he may well be the next President. ■

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political book notes

Public affairs books to be published in May.

The American Commonwealth–1976. Nathan Glazer, Irving Kristol, eds. Basic, $10. In an introduction, Daniel P. Moynihan explains the former liberals (more recently "neoconservatives"), whose contributions to this book were published in a special issue of *The Public Interest* last year (among their number are Daniel Bell, James Q. Wilson, Seymour Martin Lipset, as well as Glazer and Kristol). "In the middle of the 1960s a number of social science findings dealt an unprecedented blow to the operating assumptions on which liberal social programs were then being devised," Moynihan writes. The programs probably wouldn't work.

The response? Some thought that "the thing to do was to do even more of what wouldn't work. At this point an element almost of coercion entered not only the discourse about public policy, but increasingly public policy itself. And at this point the liberals of *The Public Interest* discovered that they were libertarians also, and, indeed, libertarians first."

In the particular areas that come under discussion, the point about the increasingly coercive tendency of public policy is made repeatedly. For instance, in his essay, "Towards An Imperial Judiciary," Nathan Glazer writes: "In the past the role of activist courts was to *restrict* the executive and legislature in what they could do. The distinctive characteristic of more recent activist courts has been to *extend* the role of what government could do, even when the government did not want to do it. . ."

In sum, this volume constitutes an excellent introduction to "neoconservatism"; some of it, e. g. Wilson's essay on "The Rise of the Bureaucratic State" will be familiar territory for *Washington Monthly* readers.

Awakening from the American Dream. Rufus E. Miles, Jr. Universe, $12.50/$4.95. Familiar but still persuasive argument from the limits to growth school. The one new point is that high energy consumption is one of the villains in the breakdown of family and neighborhood.

Betrayal. Robert D. Morrow. Regnery, $8.95. Here we have one more contribution to assassinology, this one rather more obviously a work of fantasy than is normal. The author describes himself as having been "a contract employee of the Central Intelligence Agency" in the late fifties and early sixties. Building on what may be genuine memoirs, he extends the scope of his tale by bringing into it a number of people whose names have appeared in the newspapers in the past decade in connection with the Kennedy assassination. He proceeds to "implicate" these people (e.g. David Ferrie and Clay Shaw in New Orleans) and the CIA, in a plot to assassinate the President. The people Morrow "implicates" share one thing in common: they are all dead. A rebuttal, therefore, is unlikely, but this book should be read as fictional nonetheless.

The Brothers Reuther and the Story of the UAW. Victor Reuther. Houghton Mifflin, $16.95. This detailed memoir tells the story of the Reuther family from Valentine Reuther's arrival in West Virginia from Germany to the important roles played by his four sons in the establishment of the United Automobile Workers, one of whom dictated this account. It is a plodding, plank-by-plank story, but an important contribution to the history of the U. S. labor movement.

The Buffalo Creek Disaster: The Story of the Survivors' Unprecedented Lawsuit. Gerald M. Stern. Random House, $8.95. The Pittston Company was responsible for the dam that broke with a resulting flood that cost the lives of 125 people who lived along Buffalo Creek in West Virginia. This is the story of a law suit brought against the company by 600 of the survivors. While the case doesn't reach the trial stage which usually provides the only excitement in legal narratives, this account of negotiation and settlement just happens to be totally absorbing–one of the best reads of the year. One's enjoyment is marred slightly by the author's considerable ego and his firm's greed. Arnold and Porter took $3 million of the $13-million settlement, which is of course no more than we have come to expect from our legal brethren but does seem a bit much when it is extracted from poor people you color yourself noble for representing.

Congress Oversees the Bureaucracy: Studies

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in Legislative Supervision. Morris Ogul. Univ. of Pittsburgh, $9.95.

Drucker: The Man Who Invented the Corporate Society. John J. Tarrant. Cahners, $13.50.

The du Ponts: Portrait of a Dynasty. Mark Duke. Saturday Review, $12.95.

The End of Imprisonment. Robert Sommer. Oxford, $8.95.

The Founding Finaglers. Nathan Miller. McKay, $12.50.

Free and Independent. Frank Smallwood. Stephen Greene Press, $10.50.

The Good Guys, the Bad Guys and the First Amendment: Free Speech vs. Fairness Broadcasting. Fred W. Friendly. Random House, $10. Since he quit CBS News in 1965 over its refusal to carry the Fulbright Vietnam hearings, Friendly has been languishing in the world of foundations. The list of acknowledgements (foundations, councils, institutes, graduate schools, not to say editors, lawyers, students, typists) is as long as your arm, and the book itself, an exhaustive review of the broadcasting "fairness," is appropriately judicious both in its tone and in its conclusion. Friendly believes that the fairness doctrine is unwonted government interference with freedom of the press, but that broadcasters have a moral obligation to provide access voluntarily for opposing viewpoints.

The Electronic Battlefield. Paul Dickson. University of Indiana, $10. An excerpt appears in this issue of *The Washington Monthly.*

The Hidden Job Market: A System to Beat the System. Tom Jackson, Davidyne Mayleas, Quadrangle/New York Times, $12.

The Imperial Years: The U.S. Since 1939. Alonzo Hamby. Weybright and Talley, $14.95/$6.95.

The Man Who Pardoned Nixon. Clark Mollenhoff. St. Martins, $8.95.

Mayday at Yale. John Taft. West View Press, $12.50.

Medical Nemesis: The Expropriation of Health. Ivan Illich. Pantheon, $8.95. Despite the impenetrability of its prose and its frequently over-stated conclusions, this is an extremely exhilarating challenge to current theories of health, as different from those of the AMA as from Edward Kennedy's.

Plain Talk: An Anthology from the Leading Anti-Communist Magazine of the 40s. Isaac Don Levine, ed. Arlington House, $12.95. *Plain Talk*, a quarterly magazine, was published between 1946 and 1950, and it was entirely devoted to "alerting Americans to the dangers of communism." It published some of the first articles on the Soviet Gulag penal camps. Isaac Don Levine appears to have devoted almost all his time to warning Americans about the "deadly dangers threatening civilization from Communist ideology and influence," and a good many of his articles are included here, as well as others by Margaret Mitchell, Bertrand Russell (in his anti-Communist phase) and Ayn Rand. The book is likely to appeal mostly to those already converted to the cause.

The Poverty of Power. Barry Commoner. Knopf, $8.95.

Pragmatic Illusions: The Presidential Politics of John F. Kennedy. Bruce Miroff. McKay, $9.95/$4.95. A solid but academic indictment of the presidency of John Kennedy. The author has read all the sources but he lacks the understanding of one who participated in the events or even talked to those who did. A crucial example is his treatment of the Cuban missile crisis, where he could have found out from Ted Sorensen that

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*"Eckhardt and Black contradict much of the conventional wisdom about the Presidency and provide a lucid, stimulating, and incisive analysis."—**William Shannon** $10.95

YALE Yale University Press New Haven and London 1976

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Bobby really gave Dobrynin confidential assurances that we were going to pull our missiles out of Turkey and from Charles Bartlett that President Kennedy denounced Stevenson for suggesting the same thing. In other words, Kennedy, at the crucial moment, acted as a dove but then wanted his friend, Bartlett the journalist, to record that he was a hawk.

Reagan: The Political Chameleon. Edmund G. (Pat) Brown. Praeger, $6.95. Ronald Reagan's eight-year rule of California greatly irritated his predecessor on the job, Pat Brown, whom Reagan had defeated in the 1966 gubernatorial race. Brown has already written one book about Reagan, dealing with his first term as governor, and now he has weighed in with a second volume, this one designed to warn us against Reagan's presidential candidacy. Brown seems to feel that the system "is threatened most seriously by the unreasoned attacks of simplistic self-servers who pander to the lowest urges that plague our troubled people." He just can't seem to get over the fact that the notions of "big government" he himself was nurtured on have now gone out of style, nor does he tell us that his own son, Jerry Brown, Reagan's successor, has mounted attacks on big government that are almost identical to Reagan's. One looks forward to Pat's book on Jerry. In general, this is a mean-spirited and very biased book, and Brown's attempt to depict Reagan as a political chameleon—who is not a conservative at heart but only opportunistically so—seems to be wide of the mark.

Selling the People's Cadillac: The Edsel and Corporate Responsibility. Jan G. Deutsch. Yale, $20/$8.95.

Strategies for Freedom: The Changing Pattern of Black Protest. Bayard Rustin. Columbia, $5.95.

The Twilight of Capitalism: A Marxian Epitaph. Michael Harrington. Simon and Schuster, $9.95.

V Was for Victory: Politics and American Culture During World War II. John Morton Blum. Harcourt Brace Jovanovich, $12.95. The distinguished Yale historian tries his hand at popular history (no footnotes). The Dos Passos scattershot technique occasionally seems a little strained, but the professor is a fine writer, and his sure sense of mood shows that he has taken full advantage of writing about a period he has actually lived through.

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PANTHEON

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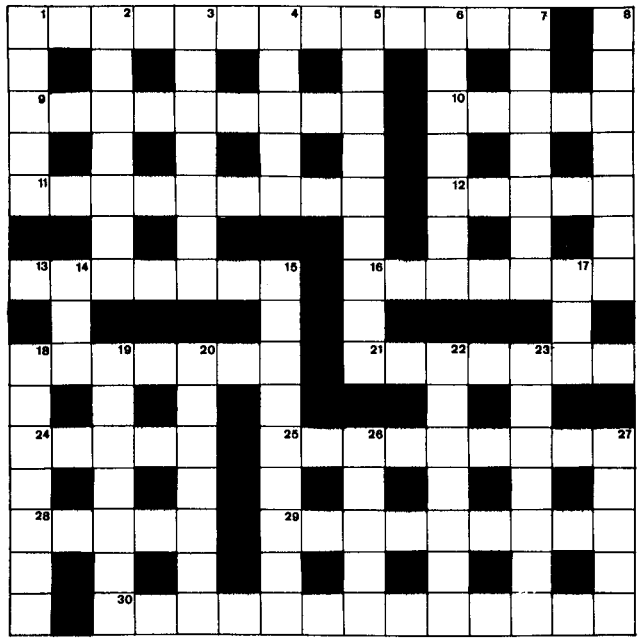
the political puzzle

by John Barclay



ACROSS

1. She is no male tiger. (6, 7)
9. Brings Ms. L. N. Bowie to the fore. (6, 3)
10. They have new views on proper role. (5)
11. To clean stand slab on end. (9)
12. Red or white, get it! (5)
13. Rum improvement by a flea. (3, 4)
16. One is at the Baltic this summer. (7)
18. Led nice girl to say no. (7)
21. Ways to solve problems of messy streets. (7)
24. Bear this after Red. (5)
25. Moon plain had Vince's name. (9)
28. First person strove for Eastern college walls. (5)
29. She is unhappy bringing boxes back with 100 in jet. (3-6)
30. From her, let an earring emerge. (8, 5)

DOWN

1. Use dresses for sowing? Not I. (5)
2. Raymond as leader. (7)
3. I belong, but it is not much. (7)
4. Males gather in Alabama. (5)
5. Best merit leaves him unhappy. (9)
6. Stays ahead of news in Virginia. (7)
7. She left mod oven. (5, 2)
8. He sings country air at us. (7)
14. Ice, middle, or golden. (3)
15. See fresh pan in Evian. (6, 3)
17. Belief in this man. (3)
18. She denounced red dice. (7)
19. Women who know what's up want to share this. (7)
20. Knowledgeable person sees Red is up, but not in. (7)
22. Promising attack follows from sad bang. (7)
23. I live it up despite bad luck sign. (4, 3)
26. She may vex in other ways. (5)
27. One would never guess he's all heart. (5)

The numbers indicate the number of letters and words, e.g. (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word. John Barclay is on vacation. This is one of his more popular puzzles from the past. Answers to last month's puzzle are on page 33.

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